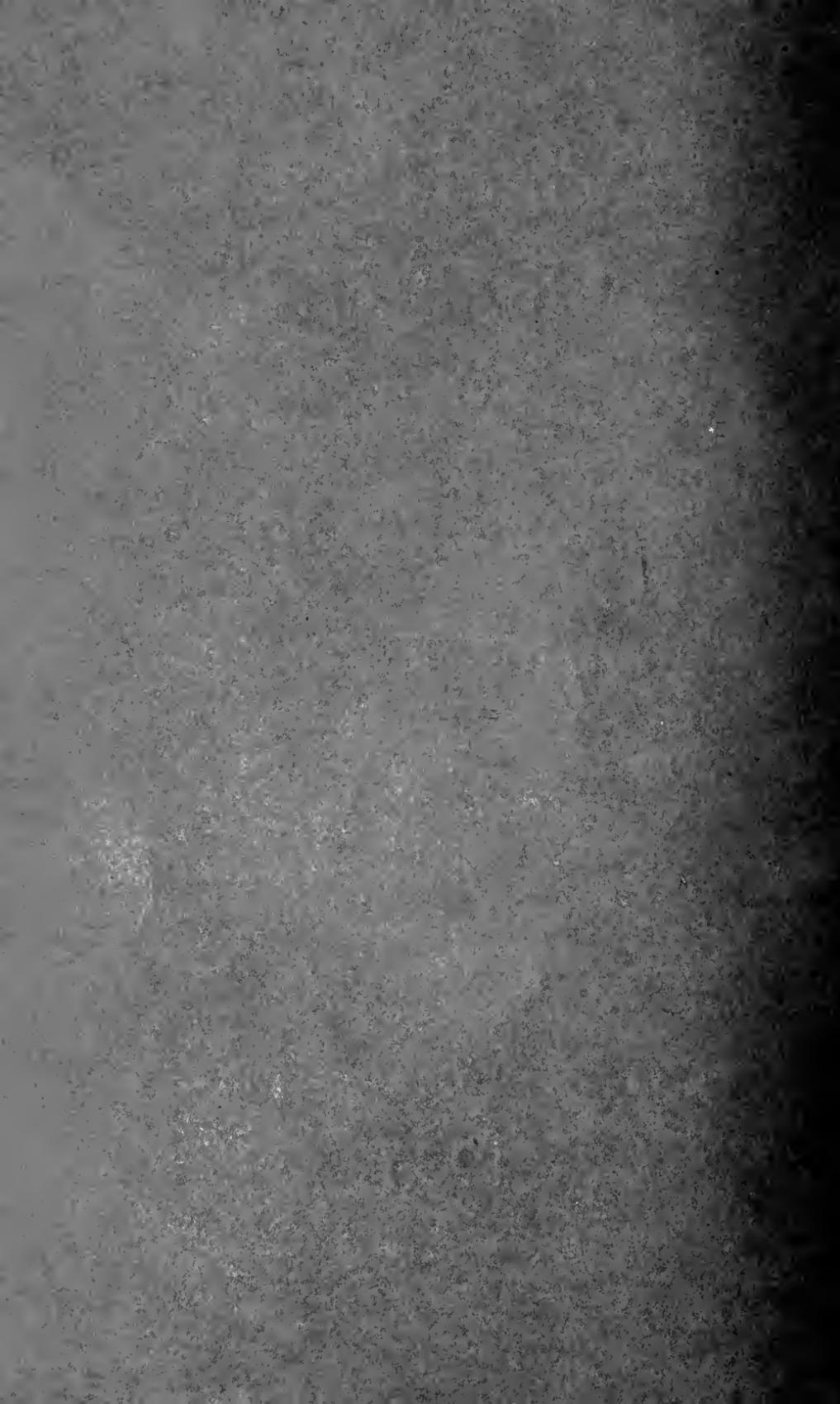


# Annual Report of the Acting Governor of Hawaii to the Secretary of the Interior



**FOR THE FISCAL YEAR ENDED JUNE 30**

**1937**



**ANNUAL REPORT  
OF THE ACTING  
GOVERNOR OF HAWAII  
TO THE SECRETARY  
OF THE INTERIOR**



**FOR THE FISCAL YEAR ENDED JUNE 30**

**1937**

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1936/37

UNITED STATES DEPARTMENT OF THE INTERIOR

*Harold L. Ickes, Secretary*

TERRITORY OF HAWAII

*Charles M. Hite, Acting Governor*

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# ANNUAL REPORT OF THE ACTING GOVERNOR OF HAWAII

Charles M. Hite, *Acting Governor*

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## EXECUTIVE CHAMBERS

*Honolulu, Hawaii, September 1, 1937.*

The SECRETARY OF THE INTERIOR:

SIR: Pursuant to instructions contained in your letter of July 15, 1937, I have the honor to submit the following report of the affairs in and of the progress and development of the Territory of Hawaii during the fiscal year ended June 30, 1937.

## SOUND FINANCIAL CONDITION

The Territory's sound financial condition is reflected in the fact that on June 30, 1937, the date of the close of the Territorial biennial period, there was a surplus in the general fund of \$1,315,133.51, and for the present biennial period the Territory's budget is in balance. This satisfactory situation has been accomplished by the application of amendments to the tax laws by the legislature of 1935.

## SHIPPING STRIKE

The maritime strike of American seamen, which was in effect from October 28, 1936, to February 8, 1937, was perhaps the most disturbing factor in the progress of Hawaii during the past year. Inasmuch as Hawaii depends on outside sources—mainly the Pacific Coast States—for about 63 percent of her foodstuffs (according to latest estimates of the Agricultural Extension Service, University of Hawaii) the sudden cutting off of these sources resulted in many hardships to the people of Hawaii. Prices immediately rose, and a number of items of food were not available at any price. Except for foreign vessels, Government ships, and oil tankers, no vessels entered or departed from Hawaiian ports during the strike. Consequently

imports of food supplies from foreign countries immediately increased despite the high duties which had to be paid. The strike again emphasized the necessity of a more diversified agricultural system and a more effective and less costly system of distribution between the various islands.

#### INCREASE IN IMPORTS AND EXPORTS

In spite of the 3 months' tieup of shipping, Hawaii's commerce with the mainland U. S. A. showed great gains, the value of exports of Hawaiian products amounting to \$125,537,355, and imports from the mainland \$85,743,998 during the calendar year 1936, an increase over the preceding year of approximately \$27,000,000 and \$7,000,000, respectively.

#### SUGAR

The sugar crop for 1936 totalled slightly more than 1 million short tons and was valued at \$67,975,548, an increase of more than \$9,000,-000 over the previous year.

#### PINEAPPLES

The value of Hawaii's second industry, the canning of pineapples and pineapple juice, during 1936, amounted to \$51,452,483. The 1936 pineapple crop is the largest on record, showing an increase in value over the previous year of more than \$17,000,000.

#### INTERNAL REVENUE

Hawaii's internal revenue payments to the Federal Treasury for the fiscal year ended June 30, 1937, amounting to \$11,633,487.56, were the highest since 1922.

#### RECORD TOURIST SEASON

Thousands of people each year are seeking first-hand information regarding Hawaii's charms as a tourist center, and during 1936 there were 22,199 tourists—visitors who spent at least 2 days in Hawaii. In addition, Honolulu played host for 1 day to 28,046 cabin passengers en route to or from the Orient or Antipodes. A significant feature of Hawaii's tourist travel is the fact that since 1930 more than 5,000 persons have made at least one more trip to Hawaii following their original trip. The above figure of 22,199 tourists is the highest of record, in spite of the tieup of shipping at the height of the winter season.

#### PUBLIC IMPROVEMENT BONDS

The Territory's application for approval to float a new issue of public improvement bonds has gone forward for Presidential approval.

Included in the list of proposed projects is an item for the construction of a new tax-office building in Honolulu. This is a much needed structure and when completed should greatly relieve congestion in the Territorial Office building where the tax office is now housed. When the latter building was completed in 1926 there were 1,123 regular employees on the Territorial pay roll. This number has now grown to 1,932, resulting in overcrowding in nearly every department of the government.

#### PAN AMERICAN CLIPPER SERVICE

On July 12, 1937, the transoceanic planes of Pan American Airways completed the first 1,000,000 miles of regular scheduled flying over the Pacific. An accurate check of flight logs at the end of this flight shows that transpacific clippers had logged 1,012,784.8 miles. All of this was done on regular scheduled flights with air mail, express, or passengers, or all three. In the accomplishment of this, 5,622,124 passenger miles were flown, and 276 tons of air freight, exclusive of mail, were carried. The bulk of this was between San Francisco and Honolulu.

In the maintenance of regular schedules across the Pacific, the clippers put in 7,659 hours and 46 minutes in the air—all of it without accident or mishap.

The first survey flights, none of the mileage of which is included in the 1,000,000-mile record, were started on April 16, 1935. Flight no. 1, in regular scheduled operation, began on November 22, 1935, and passenger service was opened on October 21, 1936, since which time several hundred passengers have been transported.

#### WORKS PROGRESS ADMINISTRATION

Operations of the Works Progress Administration in Hawaii for the year from July 1, 1936 to June 30, 1937, involved an expenditure of \$3,265,939.10, of which \$2,689,575.29 was expended on labor and \$576,363.18 for materials, equipment, rentals, etc. Of this amount \$2,997,826.90 was from Federal grants to the Territory and \$268,-112.20 from the Territorial unemployment relief tax funds. To this amount should be added approximately \$687,255, the value of contributions from the sponsors of labor, materials, and rentals, making a grand total of expenditures of \$3,953,194.10 on W. P. A. operated projects for the year.

Expenditures of W. P. A. funds allotted to the Army for the year amounted to \$1,157,695.38 and to the Navy of \$302,000, making a total expenditure in the Territory of Hawaii of \$4,725,634.48, exclusive of the sponsors' contributions.

The above expenditures provided work for an average monthly enrollment for the year on each island as follows:

Oahu-----	2,098
Hawaii -----	877
Maui-----	681
Kauai-----	484
Molokai-----	59
 Average monthly W. P. A. employees-----	4,199
Average monthly Army employees-----	1,004
Average monthly Navy employees-----	297
 Total average monthly on W. P. A. projects-----	5,500

The average monthly expenditure per man-month for W. P. A., exclusive of Army and Navy, was \$53.38 for labor and \$11.44 for non-labor costs; a total of \$64.82.

The total expenditure of \$3,265,939.10 was distributed over the following types of work:

	Pay roll	Materials	Totals
Roads and highways-----	\$1,301,385.11	\$419,297.91	\$1,720,683.02
Buildings-----	272,788.10	52,518.45	325,306.55
Parks-----	276,567.94	40,044.48	316,612.42
Public Utilities-----	142,930.16	53,693.76	196,623.92
Flood control-----	410,025.28	5,479.47	415,504.75
Miscellaneous-----	285,878.70	5,329.74	291,208.44
 2,689,575.29	576,363.81	 3,265,939.10	

Besides the construction work prosecuted by the Works Progress Administration during the past year a number of statistical, research and educational projects have also been carried on by providing work for unemployed clerical and other workers. These projects have been of great benefit to the different governmental departments, such as the Territorial tax office, archives of Hawaii, and the libraries.

### EMERGENCY CONSERVATION WORK

During the period April 1 to June 30, 1936, the enrollment for the Territorial operation was reduced from 1,200 to 600 enrollees. This number has been pretty well maintained since July 1, 1936, except for spasmodic periods during the pineapple canning seasons.

Teachers have been placed in all of the CCC camps except on the island of Kauai where there are only 65 enrollees and part of this number are working from a subcamp.

It is interesting to note that the plantations have copied the CCC plans and procedure in providing accommodations for their laborers and have taken a great many CCC enrollees and supervisory personnel at wages higher than those paid by the CCC.

During the 1937 fiscal year the CCC enrollees planted 1,631,386 trees in Territorial forest reserves. These trees were planted on an area of 3,703 acres. In addition to the number of trees planted, 5,243.24 acres of previously planted trees were cleared and maintained. There were 20.2 miles of new forest fences built and 18.77 miles of existing forest fences repaired. Employees of the Emergency Conservation Work participated in the destruction of 11,672 head of destructive wild animals. There were 67.21 miles of new trails constructed and 215.98 miles of existing trails maintained and repaired. In carrying on the above work there was a total of \$519,953.58 expended.

### FEDERAL HOUSING ADMINISTRATION

For the fiscal year ending June 30, 1937, the local office of the Federal Housing Administration received 289 applications for mortgage insurance under title II of the National Housing Act, aggregating \$1,044,900. Total applications received from the beginning of the operation of this office through June 30, 1937, amount to 467 for \$1,665,670. Of the total number of applications, commitments to insure have been issued on 407 cases, amounting to \$1,484,960. The difference between these latter figures and the totals to date represents applications withdrawn prior to commitment, applications rejected, and applications now being processed. Of the 407 commitments issued, 299, amounting to \$1,135,540, were for new construction, and the balance, 108, amounting to \$349,420, were for insurance of loans on existing houses.

Title I of the National Housing Act, under which the Federal Housing Administration insured unsecured loans for alterations and repairs, expired on March 31, 1937. At that time the F. H. A. had insured in Hawaii 575 title I loans for an aggregate amount of \$325,-629.66. Of this amount \$58,488 was insured between July 1, 1936, and March 31, 1937, when such loans were discontinued. Using the figures which prevail nationally, and which indicate that for every dollar borrowed under title I for modernization and repair \$4 were spent in cash or under some other type of financing, it would be indicated that approximately \$1,628,148 worth of modernization and repair activities had been stimulated by this office from the date of its opening, April 1, 1935, through March 31, 1937. These figures are exclusive of volume of construction stimulated under the title II program.

### AGRICULTURAL ADJUSTMENT ADMINISTRATION

In August and September of 1936 the Soil Conservation Office, District of Hawaii, Insular Division, of the Agricultural Adjustment Administration held a series of educational meetings in connection with the Agricultural Conservation Act and the provisions thereof.

Details of the Agricultural Conservation Program were explained to the farmers, and there were distributed United States Department of Agriculture bulletins outlining approved procedures to be followed in order to comply with the provisions of the act. The following practices were included: (1) Forestation; (2) terracing; (3) ditching to prevent soil washing; (4) contour cultivation and listing; (5) planting protective, nondepleting cover crops; (6) application of fertilizers; (7) soil analysis and field experiment.

Applications for grants under the Agricultural Conservation Act were made by a total of 4,405 farmers in the Territory, and were distributed among the islands as follows: Hawaii, 3,072; Kauai, 250; Maui, Molokai, and Lanai, 307; Oahu, 776.

Grants by the Federal Government under the act amounted to a total of \$575,000, and were divided among the individual islands in the following amounts: Hawaii, \$156,962.69; Kauai, \$123,215.16; Maui, Molokai, and Lanai, \$147,522.95; Oahu, \$147,299.20.

Recommendations for an Agricultural Conservation Program for the Territory for 1937 were formulated and transmitted to the Insular Division in Washington. The regulations governing the program for 1937, and incorporating many recommended changes, have been received and distributed in the Territory.

### PRODUCTION OF PINEAPPLES

The pineapple industry operates on a "pack year" which ends May 31. The year just ended has been a good one. The public demand for pineapple products has apparently increased, with the result that the combined sales of canned fruit and canned juice exceeded those of any previous year. The price level was not changed and remained where it had been for several years, which was about 20 percent below predepression prices. Wages, however, were increased. The rates now being paid to the Hawaiian pineapple workers rank among the highest paid in the canning industry anywhere in the United States. All of the companies showed profits for the year ending May 31, 1936.

Indications point to a somewhat larger pack in 1937-38. The industry cannot make quick changes to meet fluctuating market demands since the crop has to be determined 2 years in advance, which means, for example, that fields planted in 1937 will yield their first harvest in 1939. Predicting market requirements 2 years in advance is difficult.

The bulk of pineapple harvesting and canning falls in the summer months and gives employment to thousands of workers. This is of great advantage to large numbers of young people of high-school and college age who are thus able to find profitable employment to assist them through the ensuing school year. In addition, many low-income families secure additional funds through the temporary employment of members of the family who are not ordinarily employed outside their homes.

## HOME OWNERS' LOAN CORPORATION

In no instance has the corporation yet resorted to foreclosure proceedings on any loan in the Territory, nor has the Corporation acquired any property by voluntary conveyance.

On July 1, 1936, 93 or 19.4 percent of the total loans were delinquent 30 days or more and for the period ending May 30, 1937, but 49, or 10.3 percent of the accounts were delinquent more than 30 days, and 89.7 percent of the accounts were current or less than 30 days delinquent in their regular monthly installments of principal and interest.

The fiscal year ending June 30, 1936, showed a principal balance due of \$1,186,987.96 which has been reduced to \$1,107,627.74 as of June 23, 1937, a reduction of \$79,360.22 for the 12-month period.

Four of the 477 loans with which the fiscal year began have been paid in full totaling \$5,758.78 as of June 15, 1937. Of the 473 remaining, 437 are located on Oahu, 13 on Hawaii, 19 on Maui, and 4 on Kauai.

Inspection of properties underlying the loans reveals evidence of few needed repairs and practically all securities are well maintained.

## TOURIST TRADE

For the first 9 months of 1936, tourist travel to Hawaii was the best on record. Because of the maritime strike, however, which started October 30, fall travel was so drastically reduced that total arrivals for the year fell far below expectations. Despite the strike, tourist travel during 1936 registered an all-time "high" for Hawaii by the narrow margin of 9 visitors, local tourist arrivals for 1935 being 22,190 and for 1936, 22,199.

Total cabin passenger arrivals, including those by trans-Pacific airplane service, was 55,850, segregated as follows:

Through cabin passengers (who spent only a day in Honolulu) -----	28, 046
Local cabin passengers (visitors who spent at least 2 days here) -----	22, 199
Returning local residents -----	5, 615
Total -----	55, 860

Many tourists brought their own automobiles, the number recorded by the Honolulu Automobile Club, 1,536.

In addition to regular steamer services, six cruise ships visited Honolulu during the year, two of them coming direct from England.

The United States Fleet visited the islands during the summer and while it swelled the total number of visitors and very materially increased the information work of the Tourist Bureau, the number was not added to tourist totals.

Throughout the year a daily tourist level was computed from a base established by an annual survey. This showed the winter "high" on February 26 with 3,406 visitors, and the summer "high" July 30, with 3,695.

The Tourist Bureau continued an aggressive and colorful advertising campaign featuring all the islands in a number of leading mainland magazines. The cost, about \$80,000, included a total printing of 8,442,915 full-page ads. From these ads several thousand inquiries were received and answered.

The Tourist Bureau sent out 358,756 pieces of literature all over the world. Besides supplying individuals and booking agencies, the Tourist Bureau distributed thousands of pieces of its literature at world's fairs, conventions, at county fairs in the islands, on passenger steamers, to local residents traveling on the mainland, and elsewhere.

The demand for both the colored cartograph and regular maps and guides was so heavy that it was necessary to have both reprinted. Since these cartographs were issued in 1930, over 7,000,000 have appeared.

During 1936 more articles, photographs, and news items were accepted by prominent publications all over the world than ever before, some 1,500 newspapers being regularly supplied with an interesting news letter.

Some indication of the extent of the Tourist Bureau's photographic work is seen in the fact that 2,584 photographs were sent by the Bureau to publications and agencies throughout the world.

### HAWAIIAN HOMES COMMISSION

The fiscal year, July 1, 1936, to June 30, 1937, witnessed many changes effected by the present commission's reorganization policies. Much of this period was devoted to the study of plans best suited to carry on the work of rehabilitating the Hawaiian race. In this work the commission has received wholehearted cooperation from the Territorial legislature and other governmental and civic organizations.

Radical changes were made in the means of financing the commission's activities. Previous to July 1, 1937, all administrative and maintenance expenses, as well as all capital outlays, had to be paid from the commission's one and only revolving loan fund; a necessity which, in the 16 years of the commission's existence, has reduced this original \$2,000,000 fund to a remaining "revolving" fund of about \$500,000. There was included in the appropriations made by the 1937 Territorial legislature, to be paid from the general fund of the Territory, \$150,000 to cover the commission's operating and maintenance costs for the 1937-39 biennium, and also \$80,000 for capital outlays. These direct appropriations leave all of the remaining funds of the original revolving fund, with such income the commission may receive in the nature of interest and other income, available for loans to homesteaders, although the Homes Commission Act, as passed and amended to date by the Congress, does not limit the use of this revolving fund to this exclusive use should an emer-

gency arise where the use of part of this fund might be considered advisable by the commission (with the approval of the Governor of Hawaii).

Recommendations of the commission to a joint committee, appointed by the 1935 Territorial legislature to study the Hawaiian homes project, that committee's recommendation to the 1937 legislature and a concurrent resolution adopted by that body, have resulted, with the assistance of Hawaii's Delegate to Congress in the adoption by the Seventy-fifth Congress and the approval thereof by the President on July 10, 1937, of a group of amendments to the Hawaiian Homes Commission Act—1920 which greatly strengthens and clarifies the authority of the commission in carrying forward this project. These amendments also added to the areas under commission control, two small parcels, totalling about 50 acres, to be used in connection with proposed additional residence lot homesteads.

Many physical improvements were inaugurated during the year. Most important of these improvements are the paved highways through the Nanakuli and Papakolea residence-lot homestead areas on Oahu and along Farrington Avenue in the farm homestead area at Hoolehua, Molokai. These improved highways were constructed and completed by the city and county of Honolulu and County of Maui, respectively, in cooperation with the commission.

Water supply developments at Nanakuli, Oahu, and on Molokai received considerable attention. A joint domestic water supply project to augment the present inadequate supply now serving the Territorial Lualualei and the commission's Nanakuli homestead area, on Oahu, is now being constructed with funds furnished jointly by the Territory, the city and county of Honolulu, and the commission. This project, when completed, will furnish satisfactory domestic services to the areas concerned. Much water supply improvement work, including replacement, cleaning, and installation of thousands of feet of the small distribution pipe lines serving the Kalanianaoe colony on Molokai was undertaken and completed by the commission's own staff.

A survey to investigate the feasibility of transporting now unused waters from the large streams on the northern coast of Molokai to the Palaau and Hoolehua homesteads has been conducted by the Federal Bureau of Reclamation for nearly 2 years and is now nearing completion. If this project can be constructed, a large part of the entire Palaau and Hoolehua semiarid area can be included in a project to grow sufficient food crops to replace much of the same now being imported.

During the past fiscal year, 25,829 tons of pineapples were harvested from the Palaau-Hoolehua homestead area. Gross value of same was \$573,828.40 and, of this amount, the homesteaders netted \$351,829.31.

In this area, there were on June 30, 1937, 1,386 acres under pineapple cultivation.

Diversified agriculture has also had the commission's energetic encouragement. Some 700 acres of diversified crops were planted during 1936, without irrigation. Of these, 480 acres were planted in field corn. The results of these plantings demonstrate the feasibility of larger planted areas in diversified crops, with irrigation.

Molokai homesteaders were again successful in obtaining the contract for hauling pineapples from the Commission's fields to the Kaunakakai wharf for the 1937-38 season, thereby adding considerably to their income.

¶ On recommendations by staff members of the University of Hawaii Extension Division and the Commission's personnel, all livestock was removed from two of the four community pastures on Molokai to prevent further erosion of soil in these areas. Homesteaders were urged to reduce their herds to correct overgrazing. During the year ending June 30, 1937, the total number of cattle in the community pastures was reduced from 1,130 to 380. The greater part of the 750 head disposed of brought favorable prices due largely to a deficiency of marketable beef caused by the prolonged maritime strike during the period October 1936, to February 1937.

At Keaukaha, South Hilo, Hawaii, the present Commission will inaugurate its first expansion program by extending the present residence lot subdivision to include about 400 additional half-acre lots and by establishing in the Keaukaha Beach Park area a community hall and additional facilities for carrying on general health and recreational activities and as a center of minor industries, such as mat weaving, etc. The sum of \$80,000 was appropriated by the legislature for this project.

It was estimated on June 30, 1937, that the population on Hawaiian home projects on the islands of Hawaii, Oahu, and Molokai, at that time totaled about 4,100 persons.

## ELECTIONS

General elections throughout the Territory are held in November of every even numbered year, at which time a Delegate to Congress is elected for a 2-year term; one-half of the members of the senate are elected for terms of 4 years, and all of the members of the house of representatives for a term of 2 years.

General elections for each of the counties are held simultaneously with the Territorial general elections on the first Tuesday next after the first Monday in November.

The city and county of Honolulu elects a mayor, clerk, treasurer, auditor, sheriff, and seven supervisors. The counties of Hawaii,

Maui, and Kauai elect the same officers, except that they have no mayor. They also elect a county attorney. In the county of Hawaii three supervisors are elected from the first representative district and three from the second representative district; one is elected at large and is the chairman and executive officer of the board. In the county of Maui seven supervisors are elected, one being elected as chairman and executive officer. This is likewise the case with the county of Kauai, save that its board consists of five supervisors.

Territorial and county primary elections are held on the first Saturday of October in every even numbered year; and no person may be a candidate at the general elections unless he shall have been nominated in the preceding primary election. In case of the death, withdrawal, or disqualification of any candidate after the holding of any primary election, the vacancy shall be filled by the central or county committee of the party, as the case may be.

The election laws were amended in some respects by the 1937 session of the legislature. Act 99 provides for the voting of absentee voters in the district of Molokai or of the island of Lanai. These, within 5 days next preceding any election, may cast their ballots with the district magistrate of Molokai or the district magistrate of Lanai, as the case may be. Act 100 provides that the chairman and executive officer of the board of supervisors of Kauai shall be elected at large. Formerly this official was selected from among the board membership.

The following tables show the number of registered voters, and the votes cast, for Delegate to Congress, at each Territorial general election:

## Registered Voters, by Races, at Each General Election

Racial classification	Total	Registered voters										
		Population, 1930 census—citizens 21 years of age and over	1900	1902	1904	1906	1908	1910	1912	1914	1916	1918
American	44,895	29,809										
British		6,998										
Chinese		1,80										
Filipino		12,636										
Hawaiian		8,607										
Part-Hawaiian		28,224										
Japanese		139,631										
Korean		6,461										
Portuguese		27,588										
Puerto Rican		6,671										
Others		1,999										
Total	368,336	85,442	11,216	12,612	13,253	13,578	13,274	14,442	15,185	17,699	18,981	20,124
Increase												1,143

## RECAPITULATION

Hawaiian												
Others												
Oriental												
Total												
Increase:												
Hawaiian												
Others												
Oriental												
Total												

Up to 1930, inclusive, Filipino, Korean, and Puerto Rican are included in Others.

<sup>1</sup> Estimated.<sup>2</sup> Includes Part-Hawaiian.<sup>3</sup> Decrease.

Note.—Figures from 1920 include male and female voters.

### Registered Voters, by Races, at Each General Election—Continued

Increase:	
Hawaiian	.....
Others	.....
Oriental	.....
Total	.....

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## Votes Cast for Delegate to Congress at Each General Election

Parties	1900	1902	1904	1906	1908	1910	1912	1914	1916	1918	1920	1922, Special	1922	1924	1926	1928	1930	1932	1934	1936
Republican.....	3,856	6,628	6,833	7,364	5,698	8,049	7,023	8,590	7,702	7,343	13,626	14,987	11,667	12,689	18,160	27,908	22,223	27,017	31,487	41,183
Democratic.....	1,650	2,868	2,884	3,824	4,503	5,770	2,608	5,637	6,032	8,710	9,113	9,113	14,306	17,028	16,372	11,031	19,568	29,431	26,630	18,417
Home Rule.....	4,083	2,289	2,182	2,794	980	346	201	610	610	610	610	610	610	610	610	610	610	610	610	610
Socialist.....																				
Progressive.....																				
Non-Partisan.....																				
Total.....	9,589	11,326	11,980	12,430	12,316	13,541	13,340	11,809	13,339	13,375	22,336	24,213	25,972	29,717	34,532	38,939	41,791	56,448	61,117	58,600
Votes not cast or not counted.....	1,627	1,286	1,263	1,148	958	901	1,845	5,890	5,642	6,749	3,999	4,593	6,519	5,022	6,037	7,119	10,358	7,383	10,051	15,459



**Source and Distribution of Revenues in the Territory and Counties, Fiscal Year Ended June 30, 1937**

[Prepared by Territorial Auditing Department]

**FINANCES**  
**Outstanding Bonded Indebtedness as of June 30, 1937**

Date of issue	Original issue	Rate of interest	Term of years	Callable date	Maturity date	General description	Total outstanding
		Percent					
Aug. 1, 1917	\$1,500,000	4 <sup>1</sup> / <sub>2</sub>	20-30	Aug. 1, 1937	Aug. 1, 1947	Public improvement, par \$1,000	\$1,500,000
Sept. 15, 1919	1,500,000	4 <sup>1</sup> / <sub>2</sub>	20-30	Sept. 15, 1939	Sept. 15, 1949	do	1,500,000
Sept. 15, 1920	2,400,000	4 <sup>1</sup> / <sub>2</sub>	20-30	Sept. 15, 1940	Sept. 15, 1950	do	2,400,000
Dec. 31, 1920	200,000	4 <sup>1</sup> / <sub>2</sub>	20-30	Dec. 15, 1940	Dec. 15, 1950	do	200,000
June 1, 1922	600,000	4 <sup>1</sup> / <sub>2</sub>	20-30	Dec. 31, 1940	Dec. 31, 1950	do	600,000
Oct. 1, 1922	1,350,000	4 <sup>1</sup> / <sub>2</sub>	20-30	June 1, 1942	June 1, 1952	Public improvement, par \$1,000	1,350,000
Oct. 1, 1923	1,800,000	4 <sup>1</sup> / <sub>2</sub>	20-30	Oct. 1, 1943	Oct. 1, 1953	do	1,800,000
Do	75,000	4 <sup>1</sup> / <sub>2</sub>	20-30	do	do	Hawaiian home lands, par \$1,000	75,000
Apr. 1, 1924	2,285,000	4 <sup>1</sup> / <sub>2</sub>	20-30	Apr. 1, 1944	Apr. 1, 1954	Public improvement, par \$1,000	2,285,000
Oct. 1, 1925	2,590,000	4 <sup>1</sup> / <sub>2</sub>	20-30	Oct. 1, 1945	Oct. 1, 1955	do	2,590,000
May 1, 1926	1,640,000	4 <sup>1</sup> / <sub>2</sub>	20-30	May 1, 1946	May 1, 1956	Public improvement, par A \$1,000	1,640,000
Oct. 15, 1926	1,805,000	4 <sup>1</sup> / <sub>2</sub>	20-30	Oct. 15, 1946	Oct. 15, 1956	Public improvement, par B \$1,000	1,805,000
Jan. 15, 1927	385,000	4 <sup>1</sup> / <sub>2</sub>	20-30	Jan. 15, 1947	Jan. 15, 1957	Public improvement, par A \$1,000	385,000
Nov. 15, 1927	50,000	4 <sup>1</sup> / <sub>2</sub>	20-30	Nov. 15, 1947	Nov. 15, 1957	Public improvement, par C \$1,000	50,000
Do	2,750,000	4 <sup>1</sup> / <sub>2</sub>	20-30	do	do	Public improvement, par B \$1,000	2,700,000
May 15, 1928	1,575,000	4 <sup>1</sup> / <sub>2</sub>	20-30	do	do	Public improvement, par A, \$1,000	1,260,000
Feb. 1, 1929	1,175,000	4 <sup>1</sup> / <sub>2</sub>	20-30	Feb. 1, 1938	Feb. 1, 1948	do	987,000
Nov. 15, 1929	1,945,000	4 <sup>1</sup> / <sub>2</sub>	20-30	Nov. 15, 1938	Nov. 15, 1948	Public improvement, par B \$1,000	1,714,000
June 30, 1931	295,000	4 <sup>1</sup> / <sub>2</sub>	20-30	June 30, 1938	June 30, 1948	Public improvement, par A \$1,000	273,000
Mar. 1, 1932	405,000	4 <sup>1</sup> / <sub>2</sub>	12 <sup>1</sup> / <sub>2</sub>	Mar. 1, 1942	Mar. 1, 1952	do	375,000
Sept. 1, 1935	3,430,000	1 <sup>1</sup> / <sub>2</sub>	12 <sup>1</sup> / <sub>2</sub>	Sept. 1, 1940	Sept. 1, 1950	Refunding, par A \$1,000	3,000,000
Do	1,750,000	3	12 <sup>1</sup> / <sub>2</sub>	Sept. 1, 1939	Sept. 1, 1949	Refunding, par B \$1,000	1,430,000
Dec. 1, 1935	1,750,000	3	12 <sup>1</sup> / <sub>2</sub>	Dec. 1, 1940	Dec. 1, 1950	Public improvement, par \$1,000	1,750,000
July 20, 1936	1,750,000	2 <sup>1</sup> / <sub>2</sub>	12 <sup>1</sup> / <sub>2</sub>	July 20, 1941	July 20, 1951	Refunding, par A \$1,000	1,750,000
Dec. 1, 1936	274,000	3	12 <sup>1</sup> / <sub>2</sub>	Dec. 1, 1941	Dec. 1, 1951	Public improvement, par \$1,000 and \$14,000	274,000
June 15, 1937	100,000	3	12 <sup>1</sup> / <sub>2</sub>	June 15, 1942	June 15, 1952	Public improvement, par A, \$5,000	100,000

1. Serial.

The aggregate outstanding bonded debt is \$33,191,000. Included in this amount is \$2,124,000 revenue bonds issued under authority of act 203, Session Laws 1935, as amended by Act 228, Session Laws 1937, being issues of Dec. 1, 1935, and June 15, 1937. An act of the Seventy-fourth Congress approved Aug. 3, 1935 (Public Law No. 237, H. R. 8270) provided that "the issuance of such revenue bonds shall not constitute the incurrence of an indebtedness within the meaning of the Hawaiian Organic Act." \* \* \* \* \* All the above bond issues, excepting serial bonds, are redeemable 10 years prior to maturity and at par value. Serial bond issues mature in equal installments, the first installment not later than 5 years from the date of issuance, and the last installment not later than 30 years from date of issuance. All bonds are coupon in form, interest payable semi-annually. Both interest and principal are payable at Bankers Trust Co. in New York City, or at the Territorial Treasury in Honolulu. All bond issues are a direct obligation of the Territory of Hawaii. Principal and interest constitute a charge upon the consolidated revenues. Exempt from all taxes in the Territory and United States except estate and inheritance taxes. Eligible as security for postal savings funds and other deposits of Government funds.

**Statement Showing Segregation of Bonded Debt, as of June 30, 1937**

Date of issue	Term and serial	Interest	Term and serial	Interest	City and county of Honolulu	County of Maui	County of Hawaii	County of Kauai	Territorial purposes	Total
Aug. 1, 1917	Term	Percent	Term	Percent	\$522,159.24	\$25,698.72	\$446,638.70	\$495,502.34	\$1,500,000.00	
Sept. 15, 1919	do	4 1/2	do	4 1/2	766,228.53	12,500.00	350,000.00	1,137,500.00	1,500,000.00	
Sept. 15, 1920	do	4 1/2	do	4 1/2	110,000.00	81,624.37	153,045.71	1,400,101.39	2,400,000.00	
Do.	do	4 1/2	do	4 1/2	241,619.51	170,722.15	402,783.44	900,000.00	200,000.00	
Dec. 31, 1920	do	4 1/2	do	4 1/2	945,701.04	106,784.37	131,208.77	60,558.36	1,000,000.00	
June 1, 1922	do	4 1/2	do	4 1/2	100,000.00	202,500.00	560,000.00	70,000.00	2,285,000.00	
Oct. 1, 1923	do	4 1/2	do	4 1/2	295,000.00	97,500.00	145,000.00	145,000.00	1,657,500.00	
Apr. 1, 1924	do	4 1/2	do	4 1/2	300,000.00	145,000.00	345,000.00	70,000.00	942,500.00	
Oct. 1, 1925	do	4 1/2	do	4 1/2	275,000.00	100,000.00	100,000.00	100,000.00	945,000.00	
May 1, 1926	do	4 1/2	do	4 1/2	160,000.00	160,000.00	352,000.00	4,000.00	500,000.00	
Oct. 15, 1926	do	4 1/2	do	4 1/2	164,800.00	64,000.00	140,000.00	117,600.00	1,108,800.00	
Jan. 15, 1927	do	4 1/2	do	4 1/2	463,701.34	71,400.00	147,000.00	117,600.00	847,200.00	
Nov. 15, 1927	do	4 1/2	do	4 1/2	55,495.34	do	do	do	1,280,000.00	
May 15, 1928	do	4 1/2	do	4 1/2	do	do	do	do	1,280,000.00	
Feb. 1, 1929	do	4 1/2	do	4 1/2	do	do	do	do	1,280,000.00	
Feb. 15, 1929	do	4 1/2	do	4 1/2	do	do	do	do	1,280,000.00	
June 30, 1931	do	4 1/2	do	4 1/2	do	do	do	do	1,280,000.00	
Mar. 1, 1932	do	4 1/2	do	4 1/2	954,389.84	339,988.14	607,052.80	177,754.86	920,154.36	
Sept. 1, 1932	do	4 1/2	do	4 1/2	105,494.31	140,090.00	95,203.55	310,000.00	1,089,212.05	
Sept. 1, 1935	do	4 1/2	do	4 1/2	670,000.00	480,000.00	200,000.00	200,000.00	1,430,000.00	
Dec. 1, 1935	do	4 1/2	do	4 1/2	373,111.68	89,000.00	50,000.00	89,000.00	1,750,000.00	
July 20, 1936	do	4 1/2	do	4 1/2	3	11,000.00	do	do	1,376,888.32	
Dec. 1, 1936	do	4 1/2	do	4 1/2	3	do	do	do	1,750,000.00	
June 15, 1937	do	4 1/2	do	4 1/2	7,014,910.61	2,012,819.26	4,684,883.97	634,295.54	18,543,677.75	
Total									33,190,597.13	402,87
Unallotted balance										
Total									33,191,000.00	

**HAWAIIAN SALE OF SECURITIES ACT**

This act became effective on July 1, 1931, superseding and repealing chapters 196 and 197 of the Revised Laws of Hawaii, 1925, and making provisions regulating the sales of securities of whatever kind or character in the Territory of Hawaii. Securities of foreign corporations (other than Hawaiian) must comply with rigid requirements before being registered for sale in the Territory.

Provision is made for the exemption of certain securities and certain transactions, for the registration of securities either by notification or qualification and the procedure to be followed and for the revocation of such registration, for registration and revocation of registration of dealers and salesmen, and provides penalties for violations and for appeals from rulings of the Commissioner.

Fees are provided for registration for the sale of securities and for the registration and licensing of dealers and salesmen. These fees are required to be paid with regard to securities of all Hawaiian and foreign corporations (other than organization stock, for which no compensation has been allowed) by all Hawaiian corporations organized subsequent to January 1, 1931, excepting banks, trust companies, savings institutions, insurance companies, and building and loan associations.

All dealers, other than those who are members of a recognized stock exchange, are required to file with the Commissioner a surety bond executed by a surety company authorized to do business in the Territory of Hawaii in the sum of \$5,000.

Applicants for the registration of securities and registration of dealers, when the applicant is not domiciled in the Territory, are required to file with the Commissioner the irrevocable written consent of the issuer or dealer that in suits, proceedings, and actions growing out of the violation of any provision of this act, the service on the Commissioner of any notice, process, or pleading therein, authorized by the laws of the Territory, shall be as valid and binding as if due service had been made on the issuer or dealer.

**HAWAIIAN FUEL TAX ACT**

Originally authorized by Act 19, first special session 1932, amended by Act 133, Session Laws 1933, the Hawaiian Fuel Tax Act provides for a tax of 3 cents for each gallon of liquid fuel (other than Diesel oil) refined, manufactured, produced, or compounded by a distributor and sold or used in the Territory, or imported, or acquired from persons not licensed distributors and sold or used in the Territory. In addition, this act provides for a tax of 1 cent for each gallon of Diesel oil of similar acquisition and use.

The act excludes the tax on fuel imported into the Territory in interstate or foreign commerce while and so long as such fuel is beyond the taxing power of the Territory. Fuel sold for the use in and actually delivered to or sold in the county of Kalawao is likewise exempt from the tax. Fuel exported or sold to the Government of the United States or any department thereof for the exclusive use of the Government is also exempt.

The nineteenth legislature in session in 1937 passed Act 189, which amended section 2013, Revised Laws 1935 of the Fuel Tax Act, to take effect January 1, 1938. The amendment provides for a license tax of 4 cents for each gallon of liquid fuel including Diesel oil.

On June 16, 1936, the Congress of the United States passed an act authorizing the Territory to levy its liquid-fuel tax upon sales of gasoline and other motor-vehicle fuels, in the same manner and to the same extent, upon such fuels when sold by or through post exchanges, ship stores, ship service stores, commissaries, filling stations, licensed traders, and other similar agencies, located on United States military or other reservations, when such fuels are not for the exclusive use of the United States. Prior to this act all sales to the above agencies were given full exemption. Since July 1, 1936, however, the tax as above authorized has been levied and collected and, in part, accounts for the large surplus accumulated during 1936.

## Liquid Fuel Tax Transactions, Period Apr. 1, 1932, to Dec. 31, 1936

## COLLECTIONS

Year	City and county of Honolulu		County of Maui		County of Hawaii		County of Kauai		Total tax
	Diesel, 1 cent	Other, 3 cents	Diesel, 1 cent	Other, 3 cents	Diesel, 1 cent	Other, 3 cents	Diesel, 1 cent	Other, 3 cents	
1932	\$415,261.59	\$2,148.26	\$110,077.44	\$4,022.80	\$113,456.46	\$5,861.68	\$67,543.62	\$706,339.11	
1932	\$26,072.50	134,544.57	134,544.57	156,050.88	159,929.01	7,777.21	94,286.66	934,816.08	
1933	32,136.12	553,393.83	3,699.60	143,885.16	5,909.64	157,008.93	6,584.02	98,533.55	1,003,264.12
1934	35,823.75	558,018.96	4,208.90	142,447.56	5,741.15	174,024.84	6,831.74	105,697.30	1,035,530.57
1935	36,490.28	693,170.27	9,344.08	149,805.78	7,831.88			106,978.92	1,184,477.79

## SURPLUS

	City and county of Honolulu		County of Maui		County of Hawaii		County of Kauai		Total
	Diesel, 1 cent	Other, 3 cents	Diesel, 1 cent	Other, 3 cents	Diesel, 1 cent	Other, 3 cents	Diesel, 1 cent	Other, 3 cents	
1932	\$16,555.74	\$1,446.80	\$32,554.60	\$8,696.68	\$17,685.90		\$28,515.02	\$47,647.72	
1933	63,588.86	42,220.33					61,430.46	119,337.48	
1934	171,831.59	40,372.11					58,985.81	163,894.90	
1935	323,902.25	52,500.74					56,180.79	268,884.49	
1936							65,980.13	461,889.84	

**REPORT OF THE INSURANCE COMMISSIONER**

In general, the insurance business maintained its established level. Total net premiums received in 1936 amounted to \$6,904,429.17, a decrease of \$1,797,127.76, compared to the year 1935. In keeping with the decrease in net premiums, losses paid amounted to \$2,364,487.86, a decrease of \$765,750.44, compared with the losses paid of \$3,130,238.30 for 1935. The loss ratio likewise decreased from 36.88 to 35.34 percent. Approximately 49 percent of the total premiums paid for all insurance were for the purpose of maintaining life insurance policies; 15.74 percent for fire; 13.52 percent for automobile and 7.46 percent for workmen's compensation.

*Fire.*—The fire losses again remained at a low level. Out of a total net premium received of \$1,052,642.57, only 6.97 percent was required to cover losses. Because of the constant extremely favorable experience in this line of insurance, fire insurance rates were reduced, effective as of May 1, 1937. All mercantile risks were rerated by the Hawaii Rating Bureau with reductions ranging up to 50 percent. Previously, in 1936, rates on frame dwellings were reduced.

*Life.*—The figures for the total amount of life insurance written show a new high—8,941 life policies were issued for \$22,925,838. Including renewal premiums, total premiums collected amounted to \$5,302,552.88. Indemnities of \$1,549,367.91 were paid in the Territory, a loss ratio of 29.21 percent, the lowest on record since 1932. This sale of life insurance policies indeed is a good barometer of business recovery.

*Others.*—The extensive use of automobiles in the Territory is well reflected in the amount of automobile insurance in force. Car operators paid a net premium of \$904,628.31 for all types of automobile coverage and recovering \$339,444.69 in losses, a loss ratio of 37.52 percent. Workmen's compensation carriers suffered a loss ratio of 44.27 percent, which is lower than the normal loss of 60 percent experienced by underwriters operating in the various States.

*Legislation.*—The insurance department undertook for the first time a general revision of the insurance laws of the Territory, rearranging and bringing up to date the various provisions of the law during the past legislative session. This new code was reported out of the Senate Judiciary Committee with the suggestion that a hold-over committee be appointed to study the matter further. There is no question in regard to the need of a new code. The original law of 1917 has been amended from time to time and is now a fine example of patchwork.

*Fire marshal.*—The set of rules and regulations of the fire marshal which was revised last year has not yet been released. Discussions, hearings, and meetings have been held to assure an equitable and fair set of rules and regulations, and yet adequately safeguard private and public interests. Due to the pressure of other duties assigned to the

office of the treasurer, which includes the insurance bureau, it is with reluctance that the fire marshal reports that he has not had the time and opportunity to carry out fully the functions of this important post. It is strongly suggested that the position of a full-time chief deputy fire marshal be re-created for public safety and interest.

Accompanying this is a series of schedules which reflect in detail the amount of business transacted by the various companies authorized to do business in the Territory during the calendar year 1936.

**Recapitulation of Insurance Business Transacted in the Territory of Hawaii for the Calendar Year 1936**

	Net premiums	Per-cent	Taxes paid	Losses paid	Per-cent	Loss ratio
Fire-----	1,052,642.57	15.74	26,316.04	73,444.56	3.11	6.97
Ocean Marine-----	356,853.73	5.34	8,921.38	51,078.10	2.16	14.31
Life-----	3,275,394.05	48.94	81,825.85	1,549,997.91	165.55	47.33
Accident-----	99,736.72	1.49	2,493.42	31,282.79	1.32	31.36
Automobile-----	904,628.31	13.52	22,615.70	339,444.69	14.36	37.52
Burglary and theft-----	21,970.25	.38	549.26	1,443.53	.06	6.57
Fidelity-----	95,349.60	1.43	2,383.74	10,219.93	.43	10.71
Health-----	42,684.84	.64	1,067.12	17,326.73	.73	40.59
Plate glass-----	11,941.16	.18	298.52	2,157.40	.09	18.08
Surety-----	167,255.46	2.50	4,181.39	39,557.87	1.68	23.65
Workman's compensation-----	499,177.42	7.46	12,479.43	221,021.12	9.35	44.27
Others-----	156,217.78	2.34	3,905.43	27,513.23	1.16	17.61
Surplus lines-----	6,577.28	.09	2,376.10			
Total, 1936-----	6,690,429.17	100.00	167,413.37	2,364,487.86	100.00	35.34
Total, 1935-----	8,487,556.93			3,130,238.30		36.88
Decrease in 1936 business-----	1,797,127.76			765,750.44		1.54

<sup>1</sup> Not a true loss ratio: Net premiums written during the year amounted to \$5,302,552.88 less return premiums, \$1,000,750.60, true net, \$4,301,802.28; hence an adjusted loss ratio of 36.03.

<sup>2</sup> 4 percent tax on surplus line premiums.

**BANKS, TRUST COMPANIES, AND OTHER FIDUCIARIES**

**REPORT OF CHIEF DEPUTY BANK EXAMINER**

Seven banks, with 24 branches, were in operation in the Territory at the close of the fiscal year June 30, 1937. These seven with main offices in Honolulu, were Bank of Hawaii, Bishop National Bank of Hawaii, American Security Bank, Liberty Bank, Pacific Bank, Sumitomo Bank, and Yokohama Specie Bank. Of these seven, three, namely, Bank of Hawaii, Bishop National Bank of Hawaii, and American Security Bank, maintained branches in various parts of the Territory, to wit: On the island of Oahu, Bank of Hawaii at Pearl Harbor, Waipahu, and Waialua, Bishop National Bank of Hawaii at Schofield and Waialua; on the island of Maui, Bank of Hawaii at Wailuku, Labaina and Paia, Bishop National Nank of Hawaii at Kabului and Wailuku; on the island of Hawaii, Bank of Hawaii at Hilo, Honokaa, Kohala, Keelakekua and Pahaia, Bishop National Bank of Hawaii at Hilo and Kealakekua; on the island of Kauai, Bank of Hawaii at Lihua and Kapaa, Bishop National Bank of Hawaii at Waimea and Koloa, American Security Bank at Kapaa, on the island of Lanai; Bishop National Bank of Hawaii at Lanai City. All of said banks and their branches have both commercial and savings departments.

Fiscal year	Number of banks	Demand deposits, Dec. 31	Time deposits, June 30	Total
1901	8	\$3,857,413.16	\$804,718.01	\$4,662,131.17
1902	9	4,094,919.90	1,073,581.56	5,168,501.46
1903	9	3,694,963.00	1,102,707.24	4,797,672.24
1904	9	4,159,078.89	1,372,157.00	5,531,235.89
1905	9	3,993,052.90	1,695,326.76	5,688,379.66
1906	9	5,022,495.26	2,527,943.96	7,550,439.22
1907	11	4,966,042.04	2,777,554.40	7,743,596.44
1908	11	5,074,836.16	2,588,722.87	7,663,559.03
1909	11	6,334,991.42	3,322,827.79	9,657,819.21
1910	11	9,033,385.97	4,290,919.57	13,324,305.54
1911	16	10,289,707.89	5,020,555.62	15,310,263.51
1912	17	12,667,162.39	5,521,973.11	18,189,135.50
1913	17	11,641,901.30	5,384,395.72	17,026,297.02
1914	18	10,371,874.60	6,275,790.63	16,647,665.23
1915	19	12,378,041.53	7,736,569.32	20,114,610.85
1916	19	17,317,339.40	9,061,910.28	26,379,249.68
1917	22	22,486,524.31	10,205,496.70	32,692,021.01
1918	23	24,620,004.80	9,892,708.08	34,512,712.88
1919	26	24,988,287.81	10,450,846.55	35,349,134.36
1920	26	36,975,335.93	15,807,778.11	52,783,114.04
1921	31	32,545,538.38	18,635,866.41	51,181,404.79
1922	28	28,379,489.19	17,863,992.17	46,243,481.36
1923	29	31,616,007.38	21,765,731.51	53,381,738.90
1924	29	33,257,399.35	23,238,363.06	56,495,762.41
1925	29	39,101,344.22	21,708,371.75	60,809,715.97
1926	29	44,861,828.81	22,989,564.24	67,851,393.05
1927	29	47,922,072.59	27,102,219.88	75,024,292.47
1928	31	48,931,629.35	31,278,434.34	80,210,063.69
1929	31	43,614,424.66	35,424,194.59	79,038,619.25
1930	29	46,232,391.03	33,942,357.47	80,174,748.50
1931	29	42,217,616.83	41,587,979.74	83,805,596.57
1932	31	38,653,331.79	35,030,829.73	73,684,161.52
1933	31	38,303,127.06	36,032,344.45	74,335,461.51
1934	30	40,869,840.08	35,082,104.56	75,951,944.64
1935	31	46,743,557.25	37,159,777.16	83,909,334.41
1936	31	39,920,831.84	54,987,012.48	94,907,844.32
1937	31	44,758,938.65	58,441,637.73	103,200,576.38

NOTE.—Commencing with the year 1920, commercial deposits are quoted as of June 30.

### OFFICE OF THE BANK EXAMINER

#### Comparative Statement of Condition of Banks and Trust Companies Operating in the Territory of Hawaii as at June 30, 1937, Dec. 31, 1936, and June 30, 1936

	7 banks (having 21 branches), June 30, 1937	6 trust companies, June 30, 1937	13 banks and trust companies, June 30, 1937	13 banks and trust companies, Dec. 31, 1936	14 banks and trust companies, June 30, 1936
<b>RESOURCES</b>					
Loans, discounts, and advances	\$33,124,313.06	\$7,434,101.20	\$40,698,414.26	\$37,881,653.61	\$41,408,750.20
Overdrafts	57,944.43		57,944.43	81,958.22	75,231.27
United States obligations	29,027,334.92		29,027,334.92	29,167,787.04	24,751,408.15
All other securities	22,421,041.01	2,156,656.56	24,577,607.57	24,195,900.94	22,907,055.18
Premises and furniture and fixtures	2,923,818.22	441,622.95	3,365,441.17	3,297,647.09	3,316,456.59
Other real estate owned	245,057.83	1,195,441.34	1,440,499.17	1,775,606.39	1,822,617.11
Other resources	6,246,038.68	512,150.76	6,758,189.44	7,765,449.61	5,944,028.60
Cash and due from banks, cash items, and clearings	26,146,967.66	2,872,128.16	29,019,095.82	35,858,552.11	26,513,606.49
Total resources	120,282,515.81	14,662,100.97	134,944,616.78	140,024,555.01	126,739,153.59
<b>LIABILITIES</b>					
Deposits:					
Demand	31,778,954.13		31,778,954.13	34,981,834.23	25,559,517.82
Time	57,383,843.37		57,383,843.37	56,077,595.15	53,743,947.57
Government	12,544,315.81		12,544,315.81	12,136,151.68	12,367,239.88
All other	1,493,463.07		1,493,463.07	2,788,885.25	3,237,139.05
Total deposits	103,200,576.38		103,200,576.38	105,984,466.31	94,907,844.32
Trust and agency credit balances					
Bills payable	6,016,780.33	40,410.72	40,410.72	23,809.41	168,648.16
Other liabilities	5,281,755.33	158,929.93	5,440,685.26	6,744,514.36	4,986,894.10
Capital	5,000,000.00	3,569,730.00	9,469,730.00	9,550,300.00	9,838,700.00
Surplus	3,768,000.00	2,175,981.31	5,943,981.31	5,830,077.58	5,925,174.23
Undivided profits	630,916.96	634,839.74	1,265,756.70	1,018,832.25	852,451.22
Reserves	1,501,267.14	2,065,428.94	3,506,696.08	3,499,572.12	3,864,957.14
Total liabilities	120,282,515.81	14,662,100.97	134,944,616.78	140,024,555.01	126,739,153.59

## Savings Bank Accounts by Races June 30, 1937

	Population			Accounts		Deposits		
	Estimated, June 30, 1937	Percent of population	Percent having accounts	Number	Percent to total	Average deposit	Total	Percent to total deposits
Japanese.....	150,514	38.11	47.50	71,500	40.44	\$179.15	\$12,809,337.85	29.20
Chinese.....	27,576	6.98	63.66	17,555	9.93	252.49	4,432,399.38	10.11
Hawaiian.....	59,873	15.16	29.12	17,438	9.86	78.55	1,360,754.28	3.12
Portuguese.....	29,997	7.59	47.24	14,170	8.01	268.88	3,810,038.90	8.69
Filipino.....	53,292	13.49	37.67	20,076	11.35	229.94	4,616,257.63	10.52
All others.....	73,744	18.67	48.93	36,083	20.41	466.28	16,824,802.84	38.36
Total.....	394,996	100.00	-----	176,822	100.00	248.06	43,862,590.28	100.00

Population.....	394,996	Total savings.....	\$43,862,590.28
Number of banks.....	28	Average.....	\$111.05
Number of savings accounts.....	176,822	Percent of population.....	44.77

Comparative Statement of Condition of Building and Loan Associations,<sup>1</sup> Operating in the Territory of Hawaii at June 30, 1937, Dec. 31, 1936, and June 30, 1936

	June 30, 1937	Dec. 31, 1936	June 30, 1936
<b>ASSETS</b>			
Mortgage loans.....	\$4,458,932.21	\$3,578,724.19	\$3,755,478.96
Share loans.....	146,544.43	123,353.90	153,637.17
Real estate sold on contract.....	446,515.45	411,335.63	382,850.34
Real estate owned.....	206,048.91	281,787.30	379,340.09
Investments.....	110,325.00	115,460.88	124,010.88
Premises, furniture and fixtures, net.....	12,596.69	13,384.12	14,961.76
Other assets.....	99,493.26	92,326.03	99,616.94
Cash on hand and in banks.....	105,479.38	181,375.41	138,931.22
Total assets.....	5,585,935.33	4,797,747.46	5,048,827.36
<b>LIABILITIES</b>			
Guaranty capital stock.....	54,963.00	254,963.00	254,963.00
Withdrawable capital shares.....	4,577,248.61	3,290,504.81	3,387,779.98
Investment certificates.....	216,628.19	609,917.84	709,132.74
Bills payable.....	219,625.15	241,550.00	260,115.00
Loans in process.....	197,568.26	68,193.63	37,210.92
Other liabilities.....	13,944.13	27,866.72	59,285.16
Reserves.....	198,307.17	217,169.06	224,938.46
Surplus and undivided profits.....	107,650.82	87,582.40	115,402.10
Total liabilities.....	5,585,935.33	4,797,747.46	5,048,827.36

<sup>1</sup> Includes Federal savings and loan associations (9 Territorial and 1 Federal association operating).

## Classification of Domestic Corporations as of June 30, 1937

Classification	Number of corporations	Capital	Classification	Number of corporations	Capital
Agricultural:			Financial:		
Sugar.....	44	\$96,775,000	Estates.....	22	\$24,310,400
Sugarcane products.....	1	2,000,000	Trust.....	11	5,804,930
Sugar factors.....	7	42,550,000	Banks.....	10	5,150,000
Pineapple.....	10	23,953,000	Insurance.....	4	900,000
Pineapple products.....	1	500,000	Insurance agencies.....	11	2,513,900
Macadamia nuts.....	1	500,000	Building and loan.....	9	14,220,000
Rice.....	1	100,000	Real estate, mortgage, finance and investment.....	132	15,265,175
Coffee.....	2	215,000	Rentals and leasing of buildings.....	28	3,562,050
Poi.....			Holding companies.....	7	1,635,000
Avocado.....	1	660,000	Adjustors, appraisers, etc.....	11	157,000
Rubber and coconut.....	2	725,000	Total.....	245	73,518,455
Ranches and farms.....	20	8,267,000			
Unclassified.....	1	10,000			
Total.....	91	176,255,000			

## Classification of Domestic Corporations as of June 30, 1937—Continued

Classification	Number of corporations	Capital	Classification	Number of corporations	Capital
Manufacturing:			Public utilities:		
Foodstuffs	22	\$631,500	Gas and electric	11	\$8,025,000
Beverages, soda water and ice	29	1,914,000	Telephone	1	3,800,000
Tailoring	2	50,000	Railroads	4	10,354,960
Cotton	2	125,000	Steamship	1	5,850,000
Welding and metal works	3	4,473,800	Streetcar and bus	10	3,358,950
Miscellaneous	15	4,628,000	Airway	1	500,000
Total	73	11,822,300	Water rights	10	6,416,738
Miscellaneous:			Total	38	83,305,648
Contracting	26	3,564,500	Retail and wholesale:		
Publishing and printing	31	1,821,470	General merchandise	182	10,301,620
Cleaners and dyers	4	167,000	Foodstuffs	52	3,864,600
Amusements, entertainments, clubs, sports, etc.	36	322,102	Liquor	11	268,000
Hauling and draying	4	810,000	Drugs	13	532,500
Hotels and inns	8	6,365,000	Service stations	27	1,744,050
Professional	3	30,000	Building materials	12	3,574,500
Unclassified	64	3,780,410	Auto dealers	18	2,766,000
Total	176	19,860,482	Total	315	23,051,270
			Grand total	938	342,813,155

## Domestic Eleemosynary Corporations as of June 30, 1937

Domestic eleemosynary corporations as of June 30, 1936	430
Created between July 1, 1936, and June 30, 1937	11
Dissolved between July 1, 1936, and June 30, 1937	— 441
As of June 30, 1937	441

## Foreign Corporations Authorized to Do Business in Hawaii as of June 30, 1937

Foreign commercial corporations as of June 30, 1936	71
Less withdrawn	5
Add foreign corporations qualified	8
Total foreign commercial corporations, June 30, 1937	74
1936-37 foreign corporation licenses issued	54
Foreign commercial corporations exempted by section 6772	20
Foreign eleemosynary corporations qualified as of June 30, 1937	9
Total foreign corporations qualified as of June 30, 1937	83

## Assessed Value of Real and Personal Property, 1937

Taxation division	Real property	Personal property	Total, 1937	Total, 1936	1937 percent increase
First, city and county of Honolulu	\$238,453,702	\$40,358,050	\$278,811,752	\$271,568,224	2.667
Second, county of Maui	27,268,684	15,383,099	42,651,783	37,443,300	13.910
Third, county of Hawaii	31,954,670	13,543,525	45,498,195	43,056,950	5.669
Fourth, county of Kauai	16,242,035	10,956,048	27,198,143	26,404,369	3.006
Total	313,919,151	80,240,722	394,159,873	378,472,843	4.144

## REAL PROPERTY TAX RATE

## Comparative Statement of tax Rates Since 1932

Year	First division, city and county of Honolulu	Second division, counties of Maui and Molokai	Third division, county of Hawaii	Fourth division, county of Kauai
1932	4.011	4.099	4.558	3.487
1933	2.887	3.633	4.008	2.487
1934	3.026	3.933	4.501	2.915
1935	2.994	4.106	4.758	3.602
1936	3.098	3.964	4.924	2.736
1937	3.101	3.843	4.587	3.182

## UNIFORM AUTOMOBILE LIABILITY SECURITY ACT

The Uniform Automobile Liability Security Act, chapter 84, Revised Laws of Hawaii 1935, was passed on May 23, 1933, and went into effect on December 31, 1933. An amendment, Act 186, Session Laws 1935, approved effective May 15, 1935, provided that when a chauffeur's license is suspended or revoked for heedless or reckless driving, or driving while intoxicated, such license shall not again become effective or shall not be issued to such person whose license was suspended or revoked unless or until such person has furnished proof of financial responsibility. It is further provided that a license shall not be issued to any person having more than two accidents, due to his own negligence, causing injury to person or property amounting to more than \$200, within a period of 12 months preceding such application for license, unless and until proof of financial responsibility is furnished. It is further provided that a chauffeur's license shall be suspended if, within 15 days after any judgment rendered against such person, in excess of \$100, such judgment is not satisfied, and the suspension of such license shall not be removed unless and until proof of financial responsibility is furnished.

Proof of financial responsibility means proof of ability to respond to damages resulting from the operation or ownership of motor vehicle in the amount of \$5,000 for injury or death to any person, and subject to such limit, to the amount of \$10,000 for injury or death to two or more persons in one accident, and to damage to property in the amount of at least \$1,000. Such proof may be evidenced by a policy of insurance written by an insurance carrier duly authorized to transact business within the Territory for the above amounts, or by a surety bond having for surety, a corporation duly authorized to transact a surety business within this Territory, or a bond executed by two or more individuals owning real estate within the Territory, the present value of which after deducting the amount of existing encumbrances, is at least two times the principal amount of the bond, or by the deposit with the Treasurer of the sum of \$11,000 in cash.

## Suspension Record of Driver's License as of June 30, 1937

	Failure to satisfy court judgments	Driving while intoxicated	Reckless and heedless driving	Total
City and county of Honolulu.....	5	222	235	462
County of Hawaii.....		15	5	20
County of Maui.....		27	13	40
County of Kauai.....		10	8	18
Total.....	5	274	261	540
Proof of financial responsibility filed.....		14	17	31

## Consolidated Statement of Operations, Fiscal Year Ended June 30, 1937

Character of receipt	Expendable funds			Total expendable funds	Working capital funds—revolving funds	Public trust fund—employees' retirement funds	Sinking fund	Consolidated total	Percent distribution of revenue receipts
	General fund	Special expendable funds	Loan fund						
<b>A. REVENUE RECEIPTS</b>									
(a) <i>Taxes, special assessments and special charges, fines, forfeits, and escheats</i>									
1. General property taxes:									
(a) Original levies	\$1,493,667.75			\$1,493,667.75				\$1,493,667.75	8.48
2. Special taxes:									
(a) Inheritance	166,557.23			166,557.23				166,557.23	.95
(b) Income	6,625,299.52			6,625,299.52				6,625,299.52	37.60
(c) All other									
3. Poll taxes—other	421,527.06			421,527.06				421,527.06	2.39
4. Business license taxes:									
(a) Motor fuel	159,298.93			102,529.39				261,768.32	1.49
(b) All other	1,080,998.56			18,975.39				1,089,933.95	6.24
5. Nonbusiness license taxes:									
(a) General licenses:									
1. All other	1,156,46			18,792.54				19,949.00	.11
127,339.90				262.50				127,602.40	.72
6. Special assessments and special charges:									
(a) For operation and maintenance	12,189.97			138,630.00				150,769.97	.86
7. Fines, forfeits, and escheats:									
(c) Escheats	14,343.09			105.00				14,448.09	.08
Total	10,102,228.47			983,338.61				11,085,567.08	62.92
(b) <i>Subventions and grants, donations, and pension assessments</i>									
8. Subventions and grants by the United States and county governments:									
(a) For highway	1,332,949.82							1,332,949.82	7.57
8,085.52	122,332.95							130,618.47	.74
59,249.46	613,220.89							926,539.80	5.26
9. Donations by private persons and corporations:									
(a) For operation and maintenance	90.00			52,400.00				52,490.00	.30
(b) For outlays				60.00				60.00	
10. Pension assessments									
Total	67,424.98			2,121,163.66				2,188,688.64	15.94

(c) <i>Rents of investment properties and interest</i>							
12. Rents of investment properties:							
(a) By investment funds and from miscellaneous real property-----	671,881.30	217.30		672,048.60	\$50.00		672,098.60
13. Interest:							3.82
(a) By sinking fund-----							1.73
(b) By public trust funds-----							1.52
(c) By investment funds and from investments-----	20,670.52	24,180.65	\$634,334.72	678,185.89	49,311.67	268,096.97	728,497.56
(d) On current deposits-----	285.35	15.47		283.82	4,367.05		4,650.87
Total-----	692,770.17	24,413.42	634,334.72	1,351,518.31	53,728.72	288,096.97	1,978,888.54
							11.23
(d) <i>Earnings of general departments and public service enterprises from fees, charges, rents, and sales</i>							
I. General government (14-21)	34,330.11	2,766.00		37,096.11			
II. Protection to person and property (22-29)	97,522.47	26,772.03		124,294.50			
III. Conservation of health, and sanitation (30-34)	27,500.75	13,116.95		40,677.70			
IV. Development and conservation of natural resources (35-39)							
V. Charities, hospitals, and corrections (40-55)							
VI. Education (56-57):							
(a) Schools-----	63,022.46	1,722.43		64,780.26	184.35		1,906.76
(b) Libraries-----	148,183.30	1,757.80					64,780.26
VII. Recreation (58-60)	315,502.53	315,502.53		463,635.83			463,635.83
IX. Miscellaneous (61-66)-----	318.37	14,978.85		318.37			318.37
Total-----	370,887.46	376,616.53		14,978.85	16,924.14		14,978.85
X. Public Service enterprises (Board of Harbor Commissioners)-----	980,402.72			747,504.05	17,138.49		16,954.14
Total revenue receipts-----	12,213,803.80	3,505,532.28	634,334.72	16,353,070.80	70,867.21	887,024.69	764,642.54
							4.34
							5.57
							100
B. <i>NONREVENUE RECEIPTS</i>							
76. From debt obligations:							
(a) Funded or fixed-----							
77. From sale of investments-----							
78. From repayment of loans to counties-----	10,033.19	139,579.66	2,124,000.00	149,612.85	150,225.40	856,102.73	13,556.35
82. From counterbalancing receipts:				301,953.31			2,137,556.35
(c) Receipts in error-----							2,625,770.16
(d) Correction of erroneous payments-----		70			4,183.69		301,953.31
Total nonrevenue receipts-----	10,033.89	139,579.66	2,425,953.31	2,575,566.86	134,409.09	856,102.73	4,183.69
							.70
C. <i>TRANSFER RECEIPTS</i>							
83. Nonrecoverable transfers from other funds-----	1,018,829.01	264,735.76	1,233,564.77	15,000.00		1,503,355.53	5,069,464.21
84. Borrowings and repayments from other funds-----		12,000.00	12,000.00				
Total transfer receipts-----	1,018,829.01	276,735.76	1,295,564.77	15,000.00			
Total receipts-----	13,242,666.70	3,921,847.70	3,060,288.03	20,224,802.43	220,276.30	2,338,939.67	22,636,571.45
D. <i>AVAILABLE CASH AT BEGINNING OF YEAR</i>	1,310,501.18	1,006,469.01	99,096.31	390,049.64	2,109,148.76	139,707.11	3,314,604.92
Grand total-----	14,553,167.88	4,928,316.71	3,159,354.34	22,640,838.93	610,325.94	2,248,855.87	26,001,176.27

## Consolidated Statement of Operations, Fiscal Year Ended June 30, 1937—Continued

Object of payment	Expendable funds			Working capital funds—Revolving funds	Public trust fund—Employees' retirement fund	Sinking fund	Operation and maintenance	Outlays	Consolidated total	Percent distribution of revenue receipts
	General fund	Special expendable funds	Loan fund							
<b>A. FOR GOVERNMENTAL COSTS</b>										
<i>I. General government</i>										
14. Legislative:										
(a) Legislature	\$11,919,09	\$61,883.40			\$181,802.49				\$181,802.49	1.22
15. Chief executive:	17,272.83	14,039.21			32,212.04				32,212.04	.22
16. Finance:										
(a) Auditor or comptroller	62,944.98				62,944.98					
(b) Special accounting and auditing:										
2. Accounts of minor civil division										
(c) Treasurer	6,695.18				6,695.18					
(d) Assessment and levy of revenue:	38,621.55				38,621.55					
203,784.64					203,784.64					
144,439.08					174,610.32					
30,201.24					20,578.68					
20,578.68					36,299.16					
36,299.16										
17. Law:										
18. General executive:										
(a) Secretary of Territory	10,207.76	9,630.60			19,838.36					
(b) Board of control	15,682.79				15,682.79					
19. Judicial:										
(a) Supreme Court	24,729.89	30,500.00			55,229.89					
(b) All other	23,654.44				634.44					
20. Elections:	23,964.97				23,964.97					
21. General government buildings	70,502.18	479.78	\$49,316.44	120,298.40						
Total	796,297.22	147,634.23	49,316.44	993,247.89					993,247.89	6.64
<i>II. Protection to person and property</i>										
26. Militia and armories:										
26a. Fish and game warden	52,307.83	238,822.46	47,983.92		339,114.21					
28. Regulation of:	17,377.22	16,546.29			27,923.51					
(a) Financial institutions	26,866.39				26,866.39					
(b) Other corporations:										
1. Insurance companies	2,500.00				2,500.00					
2. Public service corporations										
(c) Professional occupations:										
3. All other		11,495.74			21,254.15					
(e) Labor:										
5. All other		162.50			3,165.36					
(i) Other activities	15,290.23	19,031.60								
					15,452.73				15,452.73	.10
					18,568.85				18,568.85	.13
					19,031.60				19,031.60	

29. Other protection to person and property:								
(c) All other	185, 566.84	3, 327.45		188, 894.29				
<b>Total</b>								
30. Supervision:	286, 551.40	47, 983.92	644, 202.24					
31. Vital statistics	11, 579.68	2, 327.90	13, 907.58					
<b>III. Conservation of health and sanitation</b>								
32. Prevention and treatment of communicable diseases:								
(a) Tuberculosis	166, 089.12	44, 142.96	210, 232.08					
1. All other	559, 610.24	37, 455.64	597, 656.88					
(b) All other	65, 312.36	3, 185.18	68, 517.54					
33. Conservation of child life	6, 717.91	1, 405.04	8, 122.95					
34. Food regulation and inspection								
34a. Regulation of professional occupations								
34b. Other conservation of health	89, 427.72	28, 763.54	118, 191.26					
<b>Total</b>								
905, 129.28	124, 847.95	1, 049, 977.23						
<b>IV. Development and conservation of natural resources</b>								
35. Agriculture:								
(a) Supervision	14, 087.22		14, 087.22					
(b) Extension service	140, 925.83		140, 925.83					
(c) Experiment stations	54, 593.20		54, 593.20					
(d) Livestock	46, 174.88		46, 174.88					
(e) All other	53, 973.26		53, 973.26					
36. Forestry	3, 041.56		61, 443.60					
37. Fish and game	5, 774.77	36, 964.24	42, 339.01					
39. Other development and conservation	32, 415.57	34, 370.47	66, 786.04					
<b>Total</b>								
210, 827.54	269, 495.30		480, 322.84	20, 39				
<b>V. Highways</b>								
41. Roadways:								
(a) Built and maintained by Territory	4, 220.04	1, 645, 008.16	28, 855.21	1, 073, 033.41				
<b>VI. Charities, hospitals, and corrections</b>								
47. Care of poor:								
(b) All other	12, 000.00		12, 000.00					
48. Care of children:								
(a) In Territorial institutions	31, 256.64		31, 256.64					
(b) All other	571.55	18, 986.29	19, 557.84					
49. Care of blind, deaf, and mute:								
(a) In Territorial institutions	52, 936.16		52, 936.16					
(b) All other	8, 925.80		8, 925.80					

**III. Conservation of health and sanitation****IV. Development and conservation of natural resources****V. Highways****VI. Charities, hospitals, and corrections**

## Consolidated Statement of Operations, Fiscal Year Ended June 30, 1937—Continued

Object of payment	Expendable funds			Working capital funds—Revolving funds	Public trust fund—Employees' retirement fund	Sinking fund	Operation and maintenance	Outlays	Consolidated total	Percent distribution of revenue receipts
	General fund	Special expendable funds	Loan fund							
<b>VI. Charities, hospitals, and corrections—Continued</b>										
<b>HOSPITALS</b>										
52. Special:										
(a) Insane:										
1. Territory	\$287,784.45	\$77,161.03		\$364,945.48			\$351,693.75	\$13,251.73	\$364,945.48	2.44
(b) Feeble-minded	164,083.67			164,083.67			141,854.63	22,229.04	164,083.67	1.10
<b>CORRECTIONS</b>										
53. For adults:	215,807.43			215,807.43			206,737.29	9,070.14	215,807.43	1.44
54. For minors:	141,750.49	2,858.42		144,618.91			141,589.22	3,029.69	144,618.91	.97
55. Pardon and parole boards and officers:				14,832.40			14,786.27		14,832.40	.10
Total...	929,948.59	99,015.74		1,028,964.33			978,878.41	50,085.92	1,028,964.33	6.88
<b>VII. Education</b>										
56. Schools:										
(a) Supervision										
(b) Universities	88,212.63	4,477.38		92,690.01			90,702.23	1,987.78	92,690.01	.62
(c) Public schools	301,541.56	364,200.06		665,541.62			595,119.44	70,422.18	665,541.62	4.45
57. Libraries:	5,185,859.52	116,219.35		5,304,908.87			5,231,871.61	70,037.25	5,301,908.87	35.46
(a) Territory										
Total...	184,333.70			184,333.70			138,665.80	45,667.90	184,333.70	1.23
<b>VIII. Recreation</b>										
58. Educational										
59. General	6,182.86			6,182.86			6,180.61	.25	6,182.86	.04
60. Parks and reservations	27,859.63	10,321.39		38,261.02			19,705.17	18,555.85	38,261.02	.25
60a. Monuments and monument commissions	5,766.90			5,766.90				5,766.90	5,766.90	.04
Total...	7,122.48			7,122.48			7,122.48		7,122.48	.05
<b>IX. Miscellaneous</b>										
61. Pensions and gratuities to former employees	35,062.11	22,271.15		57,333.26			33,008.26	24,325.00	57,333.26	.38
Total...	29,300.71			29,300.71					292,222.06	282,222.06

62. Aid to special classes:								
(a) Soldiers and sailors:								
1. All other.....								
(c) All other.....								
63. Administration of public trust funds and investments.....	2,340.00	632,650.72	761,460.53	\$72,659.26	84,688.26	903,796.34	14,881.77	2,340.00
64. Judgments and losses.....	495.00			11,713.46	28,503.40	\$145.68	39,465.41	495.00
65. Unclassified.....	42,074.58			42,074.58			42,074.58	
66. Undistributed.....	4,015.67	11,486.78	15,502.45			15,502.45		4,015.67
<b>Total.....</b>	<b>157,035.77</b>	<b>664,137.50</b>	<b>851,173.27</b>	<b>84,352.75</b>	<b>366,113.04</b>	<b>145.68</b>	<b>1,285,895.84</b>	<b>15,888.90</b>
<b>Total divisions I to IX.....</b>	<b>9,127,764.88</b>	<b>3,773,858.22</b>	<b>\$126,155.57</b>	<b>13,027,778.67</b>	<b>84,373.14</b>	<b>366,113.04</b>	<b>145.68</b>	<b>11,423,720.13</b>
<b>X. Public service enterprises</b>								
Board of harbor commissioners.....	170,313.07		19,793.96	190,107.68			117,792.53	72,314.50
<b>XI. Interest</b>								
75. Interest:								
(a) On funded debt.....	1,284,030.86			1,284,030.86			1,284,030.86	
<b>Total payments for governmental costs.....</b>	<b>10,382,108.81</b>	<b>3,773,858.22</b>	<b>145,949.53</b>	<b>14,501,916.56</b>	<b>84,373.14</b>	<b>366,113.04</b>	<b>145.68</b>	<b>12,825,543.52</b>
<b>B. FOR NON-GOVERNMENTAL COSTS</b>								
76. For debt obligations:								
(a) Funded or fixed.....								
77. To other civil divisions.....	266,000.00		1,696,400.00	1,962,400.00				
78. For investments purchased.....			150,000.00	150,000.00				
79. Counterbalancing payments:					41,136.49	1,631,087.02	2,369,915.92	
82. Correction of erroneous receipts.....								
(e) Reimbursable expenditures.....	10,033.57	12,637.74		10,033.57	6,204.29			
<b>Total payments for non-governmental costs.....</b>	<b>276,033.57</b>	<b>12,637.74</b>	<b>1,846,400.00</b>	<b>2,135,071.31</b>	<b>47,340.78</b>	<b>1,631,087.02</b>	<b>2,369,915.92</b>	
<b>C. TRANSFER PAYMENTS</b>								
83. Nonrecoverable transfers to other funds.....								
84. Borrowings and repayments to other funds.....	1,151,537.35	55,829.64	936,288.03	2,143,655.02	37,673.94	13,266.75		
<b>Total transfer payments.....</b>	<b>1,163,637.35</b>	<b>55,829.64</b>	<b>936,288.03</b>	<b>2,143,655.02</b>	<b>37,673.94</b>	<b>13,266.75</b>		
<b>D. AVAILABLE CASH AT CLOSE OF YEAR.</b>								
<b>Grand total.....</b>	<b>14,533,167.88</b>	<b>4,928,316.71</b>	<b>3,159,354.34</b>	<b>22,640,838.93</b>	<b>610,325.94</b>	<b>2,248,855.87</b>	<b>2,707,751.24</b>	<b>26,001,176.27</b>

## Consolidated Statement of Fund Resources and Obligations at the Close of the Fiscal Year Ended June 30, 1937

Account	Expendable funds		Working capital funds—revolving funds	Public trust fund—employees' retirement fund	Sinking fund	Consolidated total
	General fund	Special expendable funds				
<b>A. RESOURCES</b>						
1. Available cash	\$2,531,488.15	\$1,085,991.11	\$230,716.78	\$3,848,196.04	\$440,938.08	\$337,689.64
2. Accrued taxes uncollected:						
(a) Income taxes	1,225,519.25		1,225,519.25			1,225,519.25
(b) Business excise taxes	239,352.85		239,352.85			239,352.85
(c) Bank share taxes	24,365.00		24,365.00			24,365.00
(d) Public utility taxes	405,993.22		405,993.22			405,993.22
(e) Personal property taxes	1,607,452.31		1,607,452.31			1,607,452.31
3. Due from other funds	169,100.00		169,100.00			
4. Investments:						
(a) Territorial securities (par value)	8,000.00		8,000.00	125,000.00	366,000.00	3,422,000.00
(b) Other securities (par value)	8,000.00		8,237.50	31,873.16	6,728,400.00	5,667,000.00
(c) Loans to counties	7,772,561.74		7,772,561.74			
(d) Notes receivable	1,164.39		1,164.39	702,911.69		
5. Other resources:						
(a) Bonds authorized and unissued:						
(b) Accounts receivable						
Total	624,861.15	7,600.41	6,927,238.07	6,927,238.07		6,927,238.07
6.890,153.82	1,109,681.52	14,830,516.59	22,930,511.93	1,302,946.05	7,332,789.06	8,927,089.64
4,358,665.67			4,358,665.67			4,358,665.67
2,531,488.15	1,109,681.52	14,830,516.59	18,571,636.26	1,302,946.05	7,332,789.06	8,927,089.64
<b>Less resources applicable to next biennium</b>						
Total current resources						
<b>B. OBLIGATIONS</b>						
1. Unexpended appropriations:						
(a) Unappropriated appropriations	691,871.64		6,927,640.94	7,619,512.58		7,619,512.58
(b) Unexpended allotments			83,051.34	83,051.34		83,051.34
(c) Reserves for contracts	77,414.80	16,684.17	81,262.37	13,311.34		175,311.54
2. Due to other funds	169,100.00		169,100.00			
3. Reserves:						
(a) For redemption of term bonds						
(b) For redemption of serial bonds						
(c) For contingent appropriations						
(d) For reimbursement of erroneous receipts						
(e) For benefit of members of the retirement system						
Total current obligations and reserves	1,216,354.64	185,734.17	14,830,516.59	16,332,605.40	9,955.51	7,332,789.06
C. DEFERRED	1,315,133.51	923,947.35		2,289,080.86	1,282,640.54	907,882.02
D. SURPLUSES						2,623,869.38

## TERRITORIAL RETIREMENT SYSTEM

The active service register on June 30, 1937, recorded a total registration since the commencement of the system of 11,365. The register of withdrawn members on the same date recorded 4,921 withdrawals. Deducting the total withdrawals from the total registered members gives a net membership on June 30, 1937, of 6,444. During the year there was an increase in membership of 515.

During the year the Territorial Retirement System refunded contributions, with interest at 4 percent, compounded annually, as follows:

On account of resignations and dismissals----- \$87,428.88  
Paid to designated beneficiaries of deceased members----- 21,015.91

The statement given below is a comparative annual summary of the business conducted by the system since its establishment.

Year	Mem- ber- ship	Pen- sion- ers	Assets	Receipts	Disburse- ments	Adminis- tration expenses
June 30, 1926-----	2,028	84	\$124,699.81	\$174,876.78	\$147,527.43	\$16,780.71
June 30, 1927-----	2,682	101	481,502.31	522,282.81	505,688.96	14,921.83
June 30, 1928-----	3,385	115	1,069,831.03	760,769.81	733,644.78	21,567.65
June 30, 1929-----	3,963	132	1,831,378.16	1,014,049.12	879,964.79	22,907.78
June 30, 1930-----	4,524	174	2,666,239.08	1,214,433.05	966,591.05	22,557.22
June 30, 1931-----	4,778	184	3,667,752.17	1,789,152.71	1,422,769.05	21,365.49
June 30, 1932-----	5,049	227	4,606,069.19	1,882,212.71	1,439,937.53	22,968.43
June 30, 1933-----	4,957	245	5,170,552.24	2,117,212.96	1,529,222.24	18,994.41
June 30, 1934-----	4,955	255	5,599,047.02	1,680,753.83	1,494,810.27	18,063.24
June 30, 1935-----	5,152	214	6,063,399.07	1,485,024.63	1,254,173.02	18,372.49
June 30, 1936-----	5,929	214	6,812,000.25	2,517,264.00	2,577,636.98	20,031.45
June 30, 1937-----	6,444	233	7,629,846.26	1,829,727.48	1,731,055.53	20,235.06

COMMERCE  
DISTRICT OF HAWAII

## Total Values of Imports and Exports of Merchandise by Countries, Calendar Year 1936

Countries	Imports	Exports	Countries	Imports	Exports
Argentina-----	\$16,910	\$28,367	Netherlands-----	44,249	10,563
Australia-----	19,806	\$28,367	Netherland India-----	21,536	5,292
Belgium-----	43,109	26,890	New Zealand-----	236,798	10,380
British India-----	671,802	1,042	Japan-----	2,814,162	81,676
British Malaya-----	39,482	5,387	Philippine Islands-----	264,530	302,389
Canada-----	923,085	228,434	Sweden-----	11,603	32,904
China-----	198,366	17,695	United Kingdom-----	220,186	828,744
Chile-----	564,804	-----	Uruguay-----	13,320	-----
France-----	33,889	1,200	Other countries-----	33,303	47,709
Germany-----	109,573	300	Total-----	6,718,981	1,639,450
Hong Kong-----	395,106	5,449			
Kwantung-----	43,422	5,029			

Shipments from United States to Hawaii----- \$85,743,998  
Imports from foreign countries----- 6,718,981

Total----- 92,462,979

Shipments to United States from Hawaii----- 125,537,355  
Exports to foreign countries----- 1,639,450

Total----- 127,176,805

Commerce----- 219,639,784

## Domestic Products Shipped to the United States, Calendar Year 1936

Articles	Unit of quantity	Quantity	Dollars
Alcohol.....	Gallon.....	284,181	\$141,913
Citric acid.....	Pound.....	697,833	160,713
Coffee.....	do.....	3,918,271	427,697
Fiber insulating board.....	do.....	20,683,111	618,955
Fish, canned, etc.....	do.....	2,271,324	434,420
Fruits:			
Bananas.....	Bunch.....	99,200	96,701
Pineapples, fresh.....	Box.....	73,469	189,961
Pineapples, canned.....	Pound.....	571,947,430	38,835,794
Other, preserved.....	do.....	62,551	13,989
Hides and skin.....	do.....	1,256,021	116,766
Honey.....	do.....	768,728	35,421
Molasses.....	Gallon.....	21,231,540	504,026
Other beverages.....	Pound.....	593,088	57,787
Pineapple juice.....	do.....	233,029,338	12,616,689
Pineapple stock feed.....	do.....	6,025,000	52,860
Potatoes.....	do.....	2,113,226	97,605
Sugar, refined.....	1,000 pounds.....	32,652	1,665,907
Sugar, unrefined.....	do.....	1,887,337	66,309,641
Wool, unmanufactured.....	Pound.....	142,946	41,512
United States goods returned.....			2,881,908
Other articles.....			112,044
Total.....			125,392,319

## Domestic Products Exported to Foreign Countries, Calendar Year 1936

Articles	Unit of quantity	Quantity	Dollars
Coffee, green.....	Pound.....	2,849,426	\$305,189
Coffee, roasted.....	do.....	3,758	1,023
Fiber insulating board.....	Square foot.....	3,311,611	68,101
Pineapples, canned.....	Pound.....	8,984,011	579,576
Fruit juices.....	Gallon.....	249,467	121,333
Molasses.....	do.....	18,574,662	420,425
Other articles (including foreign)			143,803
Total.....			1,639,450

Total customs, commerce, labor and public health receipts for the year ending June 30, 1937, \$2,963,844.49.

## UNITED STATES INTERNAL REVENUE SERVICE

The total amount of money collected in the Territory of Hawaii by the United States Internal Revenue Service since the organization of the Territorial government is \$155,858,707.76. Total disbursements during the same period, including salaries, incidental expenses and refunds, have been \$1,284,615.21, leaving net collections of \$154,574,092.55.

## REPORT OF THE ACTING GOVERNOR OF HAWAII

37

## Internal Revenue Receipts and Disbursements, Fiscal Years 1936 and 1937

	1936	1937
Collection on lists:		
Corporation income tax.....	\$3,491,640.14	\$5,065,581.52
Individual income tax.....	2,267,905.22	3,846,219.66
Estate tax.....	367,058.69	310,801.89
Gift tax.....	710,215.42	333,254.32
Distilled spirits.....	2,380.80	1,103.13
Narcotics.....	758.00	577.00
Processing tax:		
Wheat.....	6,889.27	-----
Cotton.....	12,922.27	-----
Jute.....	19.91	-----
Field corn.....	9.52	-----
Hogs.....	31,798.03	-----
Tobacco.....	2,379.44	-----
Rice.....	35,048.68	-----
Sugar.....	17,932.94	-----
Peanuts.....	1,215.05	-----
Miscellaneous.....	.36	-----
Dividend tax.....	4,108.73	74.78
Capital-stock tax.....	385,598.60	546,010.79
Excess-profits tax.....	26,080.95	55,646.49
Miscellaneous income taxes.....	28,067.91	811.20
Miscellaneous.....	2,081.04	5,969.26
Social-security tax.....	10,760.10	-----
Social-security tax, title VIII.....		402,481.55
Social-security tax, title IX.....		316,814.73
Unjust enrichment tax.....		11,637.88
Carriers tax.....		76,302.56
Tobacco.....	1,785.76	1,406.48
Cigars and cigarettes.....	173.32	86.55
Special taxes.....	31,947.02	26,799.07
Documentary stamps.....	63,288.97	50,587.12
Documentary stamps, stock transfers.....	3,659.73	3,719.06
Playing card stamps.....	2,897.20	3,318.40
Distilled spirits, tax paid.....	40,920.62	41,701.88
Rectified spirits.....	2,516.67	1,686.39
Distilled spirit bottle stamps.....	3,799.31	4,847.80
Grape brandy.....	515.58	191.35
Wine stamps.....	7,480.36	1,702.95
Fermented-liquor stamps.....	201,181.62	319,177.00
Tax on matches.....	36,829.59	25,338.98
Tax on electrical energy.....	89,210.42	95,523.69
Tax on telephone calls.....	6,540.30	8,851.20
Manufacturers excise taxes.....	5,935.95	1,749.55
Admissions and dues taxes.....	75,367.68	65,911.66
Leases on safe-deposit boxes.....	1,735.83	1,978.58
Tax on gasoline.....		.65
Opium order forms.....	13.60	14.00
Silver bullion, transfer of ownership interests.....	.03	-----
Opium stamps.....		.73
Tax on lubricating oils.....		295.64
Tax on toilet preparations.....		4,787.03
Tax on jewelry.....		63.98
Tax on sesame oil.....		78.31
Advance collections for stamps.....		382.75
Total receipts.....	7,980,790.63	11,633,487.56
Total disbursements, including salaries, incidental expenses, etc. ....	58,910.51	69,099.66
Total.....	7,921,790.12	11,564,387.90

## HONOLULU POSTAL SERVICE

Following are figures of postal business transacted at Honolulu for the fiscal year ended June 30, 1937:

Domestic money orders issued-----	\$2, 659, 385. 25
Domestic money orders paid-----	\$1, 875, 140. 50
International money orders issued-----	\$75, 860. 98
International money orders paid-----	\$8, 220. 63
International money orders certified to Japan-----	\$263, 060. 94
International money orders certified to China-----	\$4, 485. 85
International money orders certified to New Zealand-----	\$961. 55
International money orders certified to Australia-----	\$1, 002. 33
Articles registered, Honolulu post office and stations-----	83, 229
Articles insured, Honolulu post office and stations-----	117, 057
Articles sent c. o. d., Honolulu post office and stations-----	25, 126
Gross postal receipts for the fiscal year-----	\$845, 714. 92

## POPULATION AND RACE STATISTICS

The population of Hawaii on June 30, 1937, as estimated by the bureau of sanitation of the board of health, was 396,715.

The first census of the Hawaiian Islands was taken in 1832 and was followed by censuses in 1836, 1850, 1853, and 1860. There was no provision for taking a census at regular periods until 1865, when the legislative assembly made it the duty of the board of education to make a complete census of the Kingdom every sixth year, counting from the year 1860. These were taken until 1896, and in 1900 the first Federal census was taken.

### Population of Hawaii, 1832 to 1930

1832-----	130, 313	1866-----	62, 959	1896-----	109, 020
1836-----	106, 579	1872-----	56, 897	1900-----	154, 001
1850-----	84, 165	1878-----	57, 985	1910-----	191, 909
1855-----	73, 138	1884-----	80, 578	1920-----	255, 912
1860-----	69, 800	1890-----	89, 900	1930-----	368, 336

Based upon the 1930 census of the United States, the distribution of the population on June 30, 1937, by area, race, and citizenship, was estimated by the board of health to be as follows:

### Estimated Population by Area, June 30, 1937

City of Honolulu-----	147, 450
City and county of Honolulu (exclusive of Honolulu City)-----	71, 357
City of Hilo-----	16, 015
County of Hawaii (exclusive of Hilo City)-----	62, 474
County of Kalawao-----	524
County of Kauai-----	38, 295
County of Maui-----	60, 600
 Total-----	 396, 715

## Estimated Population According to Race and Citizenship, June 30, 1937

Racial classification	Citizens	Aliens	Total	Racial classification	Citizens	Aliens	Total
Hawaiian.....	21,389		21,389	Chinese.....	23,246	4,411	27,657
Caucasian Hawaiian.....	19,890		19,890	Japanese.....	113,289	37,852	151,141
Asiatic Hawaiian.....	19,267		19,267	Korean.....	4,269	2,409	6,678
Portuguese.....	28,507	1,623	30,130	Filipino.....	15,322	37,713	53,035
Puerto Rican.....	7,529		7,529	Others.....	799	77	876
Spanish.....	1,051	182	1,233	Total.....	310,956	85,759	396,715
Other Caucasian.....	56,398	1,492	57,890				

## AUTOMOBILES

The following table shows the registration of privately owned motor vehicles, by counties, for the years 1925, 1930, 1935 and 1937.

	1925	1930	1935	1937
City and County of Honolulu.....	15,385	26,511	32,275	37,508
County of Hawaii.....	3,289	5,887	7,208	7,350
County of Maui.....	3,253	5,568	6,105	6,294
County of Kauai.....	2,456	3,863	4,482	4,882
Total.....	24,383	41,829	50,070	56,034

## COMMERCIAL AVIATION

The Inter-Island Airways, Ltd., established in 1929, owns and operates a fleet of Sikorsky amphibian planes engaged exclusively in the transportation of passengers, mail, and express between the islands of the Hawaiian group.

Regular schedules are maintained daily between Honolulu and the islands of Maui and Hawaii, and daily except Sunday to Kauai, Molokai and Lanai.

The operating personnel consists of five pilots, five copilots, and a ground force of 14.

Equipment consists of three Sikorsky amphibian twin motored 9-passenger S. 38 planes, and two Sikorsky amphibian twin motored 16-passenger S. 43 planes.

The total miles flown during the year ending June 30, 1937, is 332,841, and passengers carried during the same period amount to 19,192.

## TELEGRAPHS AND TELEPHONES

Hawaii is served with cable and radio facilities by the Commercial Pacific Cable Co., R. C. A. Communications (Inc.), Mackay Radio & Telegraph Co., Globe Wireless Co., Ltd., and the wireless departments of the Mutual Telephone Co., the latter for service between the islands and to and from ships at sea. The United States Naval Communication Service handles most of the messages for the various departments of the Federal Government represented in Hawaii.

Broadcasting stations are maintained in the Territory by the Honolulu Advertiser (KGU) and the Honolulu Broadcasting Company (KGMB-Honolulu) and (KHBC-Hilo).

The following table shows the number of instruments and miles of wire on the various islands:

**Mutual Telephone Co.**

	Oahu telephone system— Island of Oahu	Hawaii telephone system— Island of Hawaii	Maui telephone system— Island of Maui	Kauai telephone system— Island of Kauai	Molokai telephone system— Island of Molokai	Total
Telephone instruments.....	21,793	2,708	1,893	1,132	254	27,780
Miles of wire:						
Aerial cable.....	21,017.2	4,064.9	3,594.3	435.8	47.8	29,160.0
Underground cable.....	52,710.5	1,335.2	557.6	120.6		54,723.9
Open wire.....	4,444.5	3,850.8	1,861.6	1,345.8	550.7	12,053.4
Total.....	78,172.2	9,250.9	6,013.5	1,902.2	598.5	95,937.3

**PUBLIC LAND ADMINISTRATION**

The collections by the office of the commissioner of public lands, from all sources, for the fiscal year July 1, 1936, to June 30, 1937, totaled \$895,605.09, an increase of \$101,287.59, or 11.31 percent. Of this amount \$669,005.03 was for land rentals; \$112,760.40 was for water and land licenses; \$82,674.46 was for sales of public lands; \$22,842.15 was for interest on sales of public lands; \$5,472.10 was for fees; \$2,064.25 was for miscellaneous revenue; and \$786.70 was for improvements on land.

Among the routine matters handled during the past year, 119 land-patent grants were issued covering a total area of 657.10 acres, valued at \$77,797.82; also 112 deeds were executed, by which the Territory acquired lands for public purposes; 43 auction sales were conducted at which 98 leases were sold; 13 parcels of land were sold for business purposes, and 118 lots were sold for residence purposes. These latter were covered by special sale agreements, permitting purchasers thereof to pay on installments.

*Survey Office.*—Field work for the period comprised the usual variety of surveys, which were conducted on all the islands. A good deal of this work was surveyed for revision of forest reserve boundaries on Hawaii and Oahu, including study for a possible subdivision for homesteading purposes, of approximately 2,000 acres on Maui. Office work comprised examinations and mathematical check of descriptions of surveys and maps of 43 new applications for registration of title in the land court; also similar check of 228 applications for amendments, reports, and subdivisions of land-court titles.

*Taxation Maps Bureau.*—The mapping of all lands in the Territory for taxation purposes for the period consisted of plotting transfers of land by individuals, which record is taken from the bureau of conveyances and the land office.

*Division of Hydrography.*—Surface waters were checked by 23 stream-gaging stations on Kauai, 19 on Oahu, 53 on Maui, and 9 on Hawaii.

## BOARD OF COMMISSIONERS OF AGRICULTURE AND FORESTRY

Expenditures made during the fiscal year to carry out the various duties and functions of the board of agriculture and forestry were:

From general fund appropriation-----	\$184, 757. 44
From special funds-----	48, 197. 74
Total expenditures-----	232, 955. 18

*Division of Forestry.*—The progress of forest management during the period under review has been reduced, due to orders from Washington, D. C., to reduce the number of C. C. C. enrollees to 600.

During the past fiscal year 1,813,781 trees were planted on 4,007 acres of Government lands in forest reserves on the five islands. For this purpose and to supply the demands of others 2,092,065 trees were raised and distributed from the five nurseries of this division.

On forest reserve boundaries 61.42 miles of new fences have been constructed to keep out damaging stock, and 14.6 miles of existing fences have been repaired. From the protected forests a total of 16,430 destructive wild animals were eliminated. These consisted of 5,104 goats, 2,975 pigs, 8,323 sheep, and 28 wild cattle.

For forest administration purposes the C. C. C. constructed 26.1 miles of new foot trails, 23.1 miles of new truck trails, 13.6 miles of new horse trails, and maintained and kept in repair 218.8 miles of such trails during the year.

*Division of Entomology.*—Plant inspection and quarantine has been continued through the year, with the added responsibility, however, of examining airplane-carried baggage and express freight shipments. The following statistical data will indicate the nature and volume of this work. Many important agricultural pests have been intercepted in carrying out this program of surveillance of importations, but in spite of all the care that is taken to prevent the entrance of these pests, new accessions to the fauna are constantly occurring. The speed of air transportation has heightened the danger of insect invasion considerably beyond what it was formerly and a realization of this has impelled the division to consider and experiment with methods and protective devices especially applicable to this new situation.

## Inspections:

Number of vessels inspected, freight and passenger carriers-----	1, 202
Number of passengers disembarked-----	40, 852
Number of baggage parcels carried-----	154, 660

## Horticultural material dealt with:

Number lots passed as free from pests-----	3, 086, 696
Number lots fumigated or treated otherwise-----	11, 924
Number lots prohibited material destroyed-----	1, 202
Number lots refused entry-----	995

## Interisland traffic:

Number lots passed when complying with regulations-----	28, 231
Number lots treated previous to certification-----	498

*Division of Fish and Game.*—As in the past this division has been operated under two distinct departments, the patrol service and the game farm and experimental station.

The wardens during the fiscal year made 421 arrests for violations of hunting and fishing laws, assisted in the collection of \$17,323.60 for fishing licenses of various kinds and \$8,485 for hunting licenses. In addition thereto their arrests resulted in 324 convictions and \$4,095 in fines and costs of court and \$1,050 in bails forfeited.

During the fiscal year the greatest number of game birds ever raised in any one year was produced at the game farm. Approximately 25,000 birds will be ready for liberation on the various islands during the latter part of this year or the early part of next year. These consist of pheasants, quail, partridge, guinea fowl, doves, and other game birds. The Territorial game farm today ranks among the best to be found anywhere in the United States, according to reports received by the board.

*Division of Animal Industry.*—The activities of this division during the past fiscal year have been directed toward the conservation of the livestock industry of the Territory by preventing the introduction of contagious and infectious diseases from abroad and by the control and eradication of such diseases in the herds within the Territory.

The dog section of the animal quarantine station has been enlarged until at present there are 92 kennels with individual runs in the main dog compound and about 50 cat and dog kennels in the Army section. At the close of the fiscal year there were 109 dogs and 10 cats in the station under quarantine.

During the fiscal year 15,334 cattle were tested for bovine tuberculosis. Thirty-one reactors were found in 13 herds, 8 of which showed no tuberculosis lesions upon post-mortem examination. The percentage of cattle reacting is 0.2 of 1 percent of the total tested. This is very gratifying and shows that tuberculosis is being rapidly eliminated from the dairy herds of Hawaii. The 0.2 of 1 percent is a new low record for the Territory and is considerably under the 0.5 of 1

percent required by the Federal Government for modified State accreditation.

The deputy veterinarians during the fiscal year drew blood from 10,653 head of cattle throughout the Territory and the bacteriological laboratory carried on the required testing. The tests disclosed 170 animals infected with this disease.

The following livestock was imported into the Territory during the fiscal year: Horses, 32; mules, 61; cattle, 388; swine, 1,380; dogs, 281; cats, 23; crates poultry, 2,281; goats, 2; various, 50.

### HAWAII AGRICULTURAL EXPERIMENT STATION

The Hawaii Agricultural Experiment Station has continued its studies of the problems of diversified agriculture. The maritime strike emphasized the need of greater local production of foodstuffs, but in general, such production is retarded more by the high value of land and competition for labor with the more profitable large-scale industries than by inability to grow crops in Hawaii.

The ranching industry, and to a lesser extent the poultry industry, made marked forward strides. Coffee, because of low prices, did not return a living wage on most of the coffee farms and many farmers on marginal lands abandoned their farms to find a living elsewhere, usually on sugar plantations as laborers.

Further discoveries and improvements in the processing of taro corms into taro flour and a beverage base were made. The beverage base, consisting of taro, cocoa, and a little malt, makes a delicious drink called taro malt. On March 27, 1937, a local company was incorporated to make taro flour, taro malt, and poi as a direct result of station research.

The truck crop estimate was continued during the year in cooperation with the Agricultural Extension Service. There are about 1,100 truck crop growers in the Territory who produce about 60 percent of the produce consumed in the Territory. Shipments from outside islands to Oahu are divided approximately as follows: Maui, 54 percent; Hawaii, 36 percent; Kauai, 6 percent; Molokai, 4 percent.

About 19,000 fruiting macadamia trees were tested and 41 selected as outstanding for further testing and as sources for grafting material. Selection was based on size of kernel, thinness of shell, yield, lack of blemishes on kernel, taste, oil content, shape of tree, and tree vigor. About 8,000 seeds were planted at the Kona substation to serve as stocks for grafting purposes. Grafting of macadamia and litchi trees, never satisfactory in the past because of the small number of "takes", was perfected after a study of starch reserves was made. At present, by forcing the stock and scion to accumulate reserves prior to grafting, one can get from 70 to 90 percent of successful grafts.

A number of new litchi varieties were obtained and a large number of seeds planted for future experimental work. Erinose, caused by mites, remains a serious problem.

A 3-acre breeding orchard of papayas was planted in August and September 1936, which has yielded a multiplicity of types, some resistant to mildew and others to red spider. Many of the trees were remarkably heavy producers with fruit close to the ground. This breeding work is very necessary as a preliminary step to a substantial papaya industry.

The potato industry of the Territory is increasing in importance and value. Experiments on cultural practices and fertilization have been continued. The greatest problem now before the industry is that of a reliable local source of cheap seed potatoes. A project to study virus diseases of potatoes, with a view to selection of healthy families and of cold storage to hold the selected potatoes over the dormant period until planting time, is in progress with far too limited funds.

Ranching is one of Hawaii's major industries and the improvement of the forage on the ranges and in fattening paddocks is of prime importance. Processing tax funds have permitted importation of new grass species for tests on adaptability. Such grass gardens are established at various altitudes and climatic localities. In all, about 100 species are being tested.

A project on seed storage has been continued. Local conditions of high humidity and moderately warm temperatures cause most seeds to deteriorate rapidly, some lasting only a few months. Maintenance of viability depends on a lowered humidity and temperature to slow down the life processes of the seed. For maintenance of good germination, soybeans should be stored at relative humidities below 30 percent.

The poultry industry in Hawaii produces about 50 percent of the eggs consumed in the Territory. The greatest obstacles to larger poultry industry are (1) high price of feed, practically all of which is shipped into the Territory, and (2) poultry diseases.

The rat abatement campaign was continued in cooperation with the Bureau of Biological Survey, Territorial Board of Health and other agencies. In the Hamakua and Makawao regions work was conducted under the supervision of the board of health. The work consisted mainly of clearing gulches and other rat harbors, trapping rats, and spreading poison bait.

Expenditures by the Hawaii Agricultural Experiment Station during the year are indicated below together with sources of funds:

	<i>Amount disbursed</i>
Regular funds:	
Territory of Hawaii	\$41,000.00
Congress, through University of Hawaii:	
Hatch Act	15,000.00
Adams Act	15,000.00
Purnell Act	20,000.00
Bankhead-Jones Act	4,593.20
U. S. Department of Agriculture:	
For support of Pensacola Street station, \$12,066, less funds impounded by Presidential order	12,006.00
Total	107,599.20
<hr/>	
Sugar processing tax funds:	
Taro investigations	18,446.41
Liver fluke eradication	15,022.09
Rat abatement	72,906.05
Truck farming and marketing	32,093.77
Development of livestock feeds	33,894.15
Development of tropical fruits and nuts	30,037.56
Promotion of poultry industry	11,982.72
Total	214,382.75
Grand total	321,981.95

This total compares with expenditures of \$215,357 during the preceding year.

### PUBLIC WORKS DEPARTMENT

Largely as the result of contributions from the Federal Government, activities of the department of public works including highway extensions, improvements and maintenance, airport development, and various accompanying operations entailed the expenditure of a new all-time high record total of \$2,376,872.61, as compared with expenditures for the 1935-36 fiscal period of \$1,694,871.76, or a grand total of \$4,071,744.37 for the 1935-37 biennium, as compared with total expenditures of \$2,516,682.07 for the 1933-35 biennium.

The largest item of expenditure during the period was that of \$4,065,776.75 from the national recovery highway fund, which aided materially in the construction or realinement of a total of 18.879 miles of completed improved highways during the year throughout the Territory. This mileage was segregated by islands as follows: Oahu, 4.882; Maui, 5.668; Molokai, 1,476; Hawaii, 2.959; and Kauai, 3.894. Under construction on June 30, 1937, and uncompleted was a total of 21.943 miles of these highways, segregated as follows by islands: Oahu, 14.377; Hawaii, 6.814, and Kauai, 0.752.

Expenditures of the Department were divided as follows:

Department of public works:

General funds	\$90, 301. 18
Loan funds	107, 910. 83
Revolving funds	4, 976. 71
Special funds	1, 350. 96
Total	209, 226. 16

Territorial highway department:

Construction funds:

Loan	27, 380. 40
Special	86, 815. 01
Trust	639, 492. 92
National Recovery High	1, 065, 776. 75
Federal aid contributions	211, 359. 69
Total	2, 030, 824. 77

Grand total 2, 240, 050. 93

The visit to Hawaii of Mr. Robert L. Campbell, district adviser, airport section, Bureau of Air Commerce, Department of Commerce, for an intensive survey of civilian airports in the Territory, was an event of importance. As the result of Mr. Campbell's recommendations, designed to bring Territorial airports up to the present standards and requirements of the Department of Commerce, the Territorial legislature appropriated \$200,000 to the department of public works for the purpose of equipment, materials, and supplies with which to carry out the recommendations. The 1937 legislature also set up a special Territorial airport fund in which will be placed hereafter the proceeds from the fuel tax levied on gasoline for aviation use, estimated at \$15,000 annually, which is to be expended on improvement and maintenance of Territorial airports. It is anticipated that this new fund will be of great assistance to the Department in the future maintenance of airports, once they are extended and constructed to meet the requirements of the Department of Commerce.

With the assistance of Public Works Administration grants the Department completed construction and equipping of three Territorial buildings, with a fourth approximately 75 percent completed on June 30, 1937. Soon to be completed is the Wailuku, Maui, armory under a Territorial appropriation of \$50,000 and a P. W. A. grant of \$40,650.

### BOARD OF HARBOR COMMISSIONERS

The financial condition of the board has steadily improved and at the end of the fiscal year shows an increase of \$92,769.62 in revenue earnings over the previous year.

A maritime strike which started late in October 1936 and lasted until February 8, 1937, was the cause of the cessation of American shipping

in the Pacific during that period. Freight shipments from and to the mainland United States were suspended during this time but essentials were brought into the territory by foreign lines which, in some cases, put on special freighters. While freight shipments both into and out of the territory were curtailed to a tremendous extent during the period of the tie-up, great quantities of freight were brought in upon resumption of American shipping. Since the harbor at Honolulu has no anchorage area the vessels held up here due to the strike were of necessity compelled to tie up to the wharves. This led to requests from their agents for special consideration as to wharfage charges. The matter was considered carefully by the board which finally decided upon a three-eighths rate which produced substantially the same revenue as would have been realized under normal operating conditions.

Expenditures from the general fund were \$170,511.83 and from loan funds \$19,803.36 or a total of \$190,315.19.

The total number of vessels arriving at ports operated by the board from overseas was 1,261, with a gross tonnage of 9,904,693. This is an increase of 34 vessels but a decrease of 718,836 tons.

The legislature of 1937 appropriated \$35,000 for the purpose of reclaiming and improving the beach at Waikiki. Work on this project will be started by the board as soon as possible after the bonds authorized have been sold.

A contract for widening and deepening the channel into Kewalo Basin and for dredging the inshore end of same was let for \$47,750 and the work satisfactorily completed.

A grant of \$24,829 was received from the Federal Government. This, together with \$35,000 made available by the legislature of 1935, made it possible to let a contract for the sum of \$50,310.80 for the construction of a reinforced concrete pier, principally for cattle shipping purposes at Kailua, Hawaii.

The legislature of 1937 appropriated an additional \$35,000 for this project which sum became available July 1 of the present year. The contract was therefore increased by \$30,489.20 by the restoration of certain items in the original tender which had been deleted and now stands at a total of \$80,800.

With this accomplished it appears certain that the shipping of cattle will be deprived of its greatest hazards and the animals, which will be driven directly from the pier to the deck of the carrier, should be received at Honolulu in a much better condition than under the present method of swimming them out to the vessel.

The last legislature authorized the sale of bonds to the extent of \$40,000 for the extension and improvement of Hana wharf, also \$75,000 for necessary improvements at Kaunakakai wharf.

The loan fund bill of 1935 contained an item of \$350,000 for the construction of a pier at Port Allen and the 1937 legislature appropriated an additional \$300,000 for this project, making a total of \$650,000 appropriated. Advices from Washington announce a P. W. A. grant to the Territory of \$286,362 for this project. The funds available will insure the construction of this pier, which will produce new revenues sufficient to make this project a self-liquidating one.

### PUBLIC INSTRUCTION

During the past year the trend toward a greater offering of educational opportunities has continued. Demands from the various communities of the Territory for increased schooling resulted in act 191 of the 1937 legislative session which lays a mandate upon the department to add grades at 20 rural schools. Legislative action has also provided for the establishment of two new high schools in rural areas during the coming biennium. Some of the recently added services which have received strong community support are the sight-saving classes for children with deficient vision, lip-reading classes for children with hearing defects, and rehabilitation work for children and adults who are physically handicapped. Occupational guidance is receiving more and more attention. Placement records of high-school graduates are very satisfactory.

The total public and private school enrollment has this year reached 101,332.

The public school enrollment in June 1937 was 86,386—99.25 percent of these pupils are citizens. There has again been a slight falling off in elementary school enrollment. It is likely that this decrease will continue for some years, eventually affecting the high schools also. At the present time the addition of grades in rural areas, the establishment of new rural high schools and the raising of the age of compulsory school attendance by recent legislative enactment, tend to offset any decreases in the elementary schools. While there was a decrease of 550 in elementary enrollment during the past year, the increase of 494 in junior high-school students and of 1,436 in senior high-school students show a net gain in enrollment of 1,380.

Well qualified teachers determine, in the last analysis, the quality of work that may be done in any school. The department now requires 5 years of college preparation for all teachers who enter the service for the first time. This standard gives Hawaii a high rating among American school systems.

All available fifth year graduates of the teachers college of the University of Hawaii have been placed. It is now possible to fill almost all new positions from this group. Local teacher-training is

inadequate for certain specialized fields such as shop, instrumental music, physical education, and work with the deaf and blind.

A better tie has been developed with community activities and industries, thus facilitating the transition of students from the school into productive employment.

Many of the schools are coming to recognize that the satisfactory placement in industry of graduates should constitute part of the program of the school. In some schools certain teachers are given definite placement responsibilities. Surveys of graduates indicate that a very high percentage quickly find their way into regular employment. Records show that the placement of graduates of the vocational schools in Hawaii is not exceeded in any other part of the United States.

Large numbers of graduates are entering upon work with the basic agricultural industries of the Territory.

The National Youth Administration aid for needy students in the high schools of the Territory has been very valuable during the past year. It has enabled many students to remain in school who could not otherwise have done so.

A very gratifying growth has taken place during the past year in all phases of vocational and prevocational work. Enrollment in day vocational agriculture classes has increased from 1,272 in 1936 to 1,656 in June 1937. Day trade classes have enrolled 470 boys and girls. A large number of the trade class students, before their graduation, enter upon employment in the fields for which they have been trained.

Excellent work is being done in all schools in the matter of health education. Large numbers of pamphlets, posters, and health books have been distributed to the schools. Hearing tests have been given to 20,000 school children during the year. Vision tests have also been given to 20,000 school children during the year. A few classes have been started for children with defective sight or hearing. Last year 2,465 children were enrolled in special health classes receiving special health instruction as well as additional rest and food. These children are cardiacs, asthmatics, tuberculosis contacts, and extreme cases of malnutrition. In Honolulu 5,428 children were tuberculin tested and 1,567 positive reactors were X-rayed.

More than 60,000 children were given thorough mouth examinations and instruction in dental health. Of this group 39,900 also received prophylactic treatments. Eight-five percent of all school children in Honolulu have had complete dental corrections.

The following tables give statistical data in regard to the enrollment in public and private schools of the Territory.

## Number of Schools, Teachers, and Pupils in the Territory of Hawaii, June 30, 1937

	Number of schools	Teachers			Pupils		
		Male	Female	Total	Male	Female	Total
Public.....	186	598	2,379	2,977	44,665	41,721	86,386
Private <sup>1</sup> .....	90	165	471	636	8,091	6,865	14,946
Total.....	276	763	2,850	3,613	52,766	48,576	101,332

<sup>1</sup> From report of December 1936.

## Classification of Public School Pupils by Citizenship, June 30, 1937

	Hawaii	Maui	Oahu	Kauai	Male	Female	Total	Percent- age of total
Citizenship by birth.....	17,752	12,947	46,989	8,053	44,283	41,458	85,741	99.25
Foreign born.....	84	100	352	109	382	263	645	.75
Total.....	17,836	13,047	47,341	8,162	44,665	41,721	86,386	100.00

## UNIVERSITY OF HAWAII

Enrollment figures at the University of Hawaii for last school year, all colleges combined, are as follows:

Post-graduate students.....	303
Regular undergraduates:	
Seniors.....	267
Juniors.....	221
Sophomores.....	373
Freshmen.....	536
	1,397
Unclassified students.....	768
Summer session (1937).....	1,322
Total.....	3,790

The significant figure above is the total of regular undergraduate students, for it is for these chiefly that the university was established and is maintained. While the total of all persons who received some formal instruction at the university last year was 3,790, as compared with 3,256 in the preceding year, the number of regular undergraduate students was 1,397 in 1936-37, as compared with 1,217 in 1935-36.

The freshman group in the tabulation above, 536, came mostly from high schools within the Territory. This number is 22.3 percent of the total number of high-school graduates of that year (June 1936). As the number of these graduates who went to mainland colleges and universities a little more than offsets the total of mainland freshmen who are included as a part of the above 536, it may be said that about 25 percent, or one out of every four, of our high-school graduates of 1936 went somewhere to college, either here or elsewhere. This is somewhat smaller than the percentage for the Nation as a whole.

The latest year for which national figures are available is 1933. The Office of Education of the United States Department of the Interior states that in that year 33.9 percent of all high-school graduates entered institutions of higher learning. In that year in Hawaii about 20 percent of all high-school graduates went to college, either here or elsewhere.

At the 1937 commencement 33 master degrees and 283 bachelor degrees were awarded, and also 56 certificates for the fifth-year course in teachers' college, and 13 certificates for the course in public-health nursing.

*Adult education.*—The past 12 months have seen a continued growth of interest in adult education throughout the Territory. The university has had a considerable part in developing and guiding this interest.

The university offered 176 courses in the late afternoon and evening, in which 1,756 individuals enrolled. Also, 41 public lectures were presented during the year, 27 with an admission fee and 14 free.

*The faculty.*—The faculty of a university is usually considered to comprise not only the actual instructing staff but also certain administrative officers and those who engage in research and clinic work and extension service, and the professionally trained library staff, as well. Considered on this basis, the faculty of the University of Hawaii last year numbered considerably over 250.

*The library.*—The university library now has a total of over 410,000 titles, of which 104,000 are bound books and 306,000 are paper-covered items. There was an increase in circulation of 20 percent last year over the preceding year. Gifts brought in 18,000 volumes and many more were purchased.

*Advancement of agriculture.*—Along certain lines, agriculture is more advanced in Hawaii than anywhere else in the world. In sheer efficiency of production and marketing, Hawaii's sugar and pineapple industries are probably not surpassed, but it has become apparent that more diversification is needed to give good stability to our economic structure. For Hawaii, therefore, the most effective way to advance agriculture is not so much to improve the two leading industries as to establish new industries or build up present minor industries to become of relatively greater importance. Toward this end, the university, through its experiment station and extension service, has been devoting a good deal of attention and money to the study of problems incidental to such diversification. This is not a new interest, for the university ever since its establishment 30 years ago has had agricultural diversification as one of its major objectives. In the past 2 years, however, much more has been accomplished because of the large fund of money from the sugar processing tax made available to the university by the United States Secretary of Agriculture. Some of the results of this work are seen in the growth

of the dairy and poultry industries, and in the promising beginnings made in the growing of winter potatoes for the mainland market and in the production of taro for flour; several other possibilities, such as the macadamia nut, the papaia, and others, give some hope for the successful broadening of our economic base in these islands.

An important contribution to the welfare of the Territory was made in a careful analysis of the food crisis during the recent maritime strike. This interruption of about 3 months in Hawaii's normal importations of foodstuffs and livestock feeds produced a situation suggestive of that which might develop during a Pacific war and afforded a good opportunity to ascertain the vulnerable spots in our economic structure, from the viewpoint of self-sufficiency in time of emergency. The results of this study are embodied in a bulletin (No. 29 of the Agricultural Extension series) which should be of great value in the developing of a more nearly self-contained program of agricultural production in these islands.

The Kona district of Hawaii County is in acute distress because of the continued depression in the coffee industry. For several years the coffee market has been in a badly demoralized condition because of overproduction in Brazil, and our coffee farmers in Kona have sunk deeply into debt. Many have been forced by circumstances to give up and withdraw from the district to seek employment elsewhere, while others are struggling to make ends meet where they are.

*Graduate School of Tropical Agriculture.*—The Graduate School of Tropical Agriculture has a faculty of 20 able instructors, 5 of whom are loaned by the Honolulu Sugar Planters Association experiment station and 7 by the Pineapple Producers' Cooperative Association experiment station, the other 8 being members of the university staff. They offer advanced instruction of a distinctly superior quality in many specialized subjects pertaining to tropical agriculture.

In accordance with the policy which has thus far been in force, the number of students admitted each year has been small. Two have done their work for the Ph. D. degree and several for the M. S. degree while a number have pursued advanced studies without any such objective definitely in view.

*Race investigations.*—For a number of years the University of Hawaii has been making investigations in the field of race comparisons and race relations. This began in 1922. In 1927 a new stimulus in this work came when the Rockefeller Foundation gave a grant of money to enlarge the program of research by engaging additional investigators. Beginning with \$20,000 per year, the grant was later increased to \$30,000 yearly and continued for several years, with provision for its tapering off and finally terminating in 1937. In the 10 years a total of \$205,000 was thus contributed by the Foundation to augment the resources of the university. In addition to this, the Carnegie

Corporation has assisted materially by financing an expedition to Africa.

These investigations have been along three lines; sociological, biological, and psychological. Under each of these headings a number of well-defined studies have been made, all designed to take advantage of the unique opportunities afforded by the human laboratory which Hawaii constitutes.

*Financial support.*—A little more than one-third of the financial support of the university is derived from appropriations by the Territorial legislature, the remainder coming partly from tuition and other fees and partly from Federal appropriations, with a minor portion from gifts and other sources.

The total amount expended by the university last year for all activities and services was about \$934,000. Of this, \$336,500 came from Territorial appropriations, about \$241,500 from Federal appropriations and about \$356,000 from tuition fees, proceeds of self-supporting activities and other income.

In addition to the above total, \$226,388.75 of Federal money was spent by the experiment station for agricultural research, most of it coming from the sugar processing tax receipts on Hawaiian sugar in 1935.

### BOARD OF INDUSTRIAL SCHOOLS

The board has devoted much time and thought in working out the problem of a trained personnel for the schools and on the building program for Waialei Training School for Boys for which the 1937 legislature appropriated the sum of \$75,000. Adequate shops will be built so as to make the school a training school in every sense of the word.

There were 145 girls on the roll of the Kawaiola Training School and 26 employees. At the Waialei Training School there were 145 boys and 27 employees.

Ninety-two girls were released on parole during the year, of whom 50 were returned to the school for violation and other reasons, and 21 escaped and returned to the school.

There were 73 boys paroled, 7 returned for violation and other reasons, and 32 escaped and returned to the Waialei Training School.

Twenty-two girls were placed in private homes and four were returned for violation.

### HAWAII NATIONAL GUARD

During the past fiscal year an increase of 12 officers and 225 enlisted men was allotted the Hawaii National Guard. The allotted strength of the Hawaii National Guard at present is 1,947 officers and men. The actual strength on June 30, 1937, was 104 commissioned officers, 1 warrant officer and 1,633 enlisted men, or a total of 1,738.

The new units authorized for activation were Headquarters and Headquarters Company, Third Battalion; Companies I and M, Two Hundred and Ninety-ninth Infantry, for the island of Kauai, and Company K, Two Hundred and Ninety-ninth Infantry, for the island of Molokai. Company K, Two Hundred and Ninety-ninth Infantry, was organized at Hoolehua (Kaunakakai), and was inspected and federally recognized on April 26, 1937. This is the first new unit to be organized in over a decade and the first one on Molokai.

Federal funds expended by the United States property and disbursing officer, Hawaii National Guard, for the Federal Government in the support of the Hawaii National Guard during the fiscal year ending June 30, 1937, were as follows:

National Guard, 1937:

Pay of caretakers.....	\$11, 051. 75
Expenses, camps of instruction.....	54, 477. 27
Miscellaneous.....	4, 060. 41
<b>Total.....</b>	<b>69, 589. 43</b>

National Guard, 1936:

Alterations, renovation and repairs to articles of the uniform.....	35. 22
Maintenance of organizational equipment.....	12. 66
<b>Total.....</b>	<b>47. 88</b>

National Guard, 1935:

Pay of range caretakers.....	104. 49
<b>Grand total.....</b>	<b>69, 741. 80</b>

The following expenditures for the fiscal year 1937 were made from funds allotted the commanding general, Hawaiian Department, and from funds withheld in the national guard bureau for the Hawaii National Guard:

Armory drill pay.....	\$107, 589. 56
Travel of Regular Army personnel in connection with visits of instruction, camps of instruction, and national guard affairs.....	1, 152. 47
Expenses of sergeant-instructors, Regular Army.....	2, 695. 35
Procurement of articles of uniform, miscellaneous quartermaster equipment, supplies and repairs.....	18, 431. 79
Procurement of ordnance equipment, supplies and repairs.....	18, 433. 88
Freight charges, camps of instruction.....	1, 555. 77
Transportation of personnel, camps of instruction.....	5, 712. 73
Miscellaneous.....	3, 212. 62
<b>Total.....</b>	<b>158, 784. 17</b>
Pay and allowances of officers and men attending army service schools.....	4, 883. 36
<b>Total Federal funds expended by U. S. P. &amp; D. O.....</b>	<b>69, 741. 80</b>
<b>Grand total of Federal funds.....</b>	<b>233, 409. 33</b>

Territorial funds expended during the fiscal year 1937 were as follows:

Personal services-----	\$17,769.15
Other current expenses-----	10,200.18
Field training pay-----	10,460.50
Equipment-----	3,377.98
Motor vehicles-----	375.00
Improvements to buildings-----	5,767.87
Structures and permanent improvements (Maui Camp site)-----	346.33
 Total-----	
	48,297.01

Construction was started on the new Wailuku Armory on January 8, 1937, which when completed, will cost \$100,000. This armory will house Headquarters and Headquarters Company, First Battalion, and Companies B and D, Two Hundred and Ninety-ninth Infantry, all stationed at Wailuku, Maui.

New armories are authorized for Kaunakakai, island of Molokai, and Lihue and Hanapepe, island of Kauai.

### HAWAII NATIONAL PARK

The maritime strike which commenced in October and lasted until the first week in February, had its effect on travel to the park, as well as other parts of the islands, there being several weeks when there were no tourists. However, since the termination of the strike there has been a noticeable increase in travel. From the beginning of the travel year on October 1, 1936, until the conclusion of the strike, travel to the Kilauea section declined 16½ percent, or a total loss of 10,736 persons. For about a month and a half afterward, until travel conditions had adjusted themselves a small decline in visitors was continued which reached its maximum on March 20 when the total loss was 12,400 persons. Since that time there has been a steady increase in travel, which on June 12, amounted to a total of 9,346 persons leaving a net loss in travel for the year of 3,054 persons, or 2.4 percent. The hotel operator's reports of gross revenues also show a similar increase.

The 10-mile Mauna Loa truck trail project was completed by the E. C. W. on September 30, 1936.

Fencing the park boundary is still under construction by the E. C. W., as is the Halemau-u trail in Haleakala crater. The fence project will be completed in July 1937, following which there will be goat drives during August, in order to rid the park area of these pests.

Both Mauna Loa and Kilauea have remained quiet during the year, though there have been several major landslides in Halemaumau, and blue fume constantly visible.

Early in the year, Dr. T. A. Jaggar, volcanologist, presented a plan for the construction of three embankments designed to protect the

city and harbor of Hilo from damage by lava flows. This proposal was favorably received by the chamber of commerce and other civic bodies in Hilo and has received the support of the Hawaiian Department, United States Army. A committee of the Hilo Chamber of Commerce has been engaged in the study of this proposal and recommended to the Territorial Legislature that an item to cover the cost of surveys for the embankments be recommended for inclusion in the rivers and harbors appropriation bill by the United States Congress. This was done, and an item was included in the bill to cover these surveys, which will shortly be undertaken under the direction of the Army.

The 1937 fiscal year appropriation for Hawaii National Park was \$45,600; the roads and trails appropriation, \$28,500; and that for forest protection and fire prevention, \$300. Thirteen thousand dollars was also provided for physical construction.

On January 6, 1937, Hawaii's Delegate to Congress introduced a bill (H. R. 1995) to add certain lands on the island of Hawaii to the Hawaii National Park, and for other purposes. This bill covers the proposed Kalapana and Footprint area additions to the park. The bill would add 49,340 acres to the park in the Kalapana region and 5,730 acres in the Footprint area region. About 20,000 acres are Territorial government land. Included in this bill are several provisions designed to assist in rehabilitation of the native Hawaiians.

### BOARD OF HEALTH

At the close of the year the following were practicing the healing arts in the Territory:

Physicians and surgeons-----	267	Naturopaths-----	13
Osteopathic physicians-----	11	Hawaiian herbalists-----	4
Chiropractors-----	8	Midwives-----	133

*Finances.*—The 1935 legislature, under acts 142 and 215, appropriated \$1,742,819.08 to carry on the activities of this department during the biennial period ended June 30, 1937. The amount of \$845,241.54 was expended during the fiscal year 1936, leaving a balance of \$897,577.54 available for the fiscal year 1937. Subsequent to July 1, 1936, an additional sum of \$35,649.97 was allotted this department in compliance with act 215, session laws of 1935. In addition to this allotment the sum of \$3,675.02 was transferred to the bureau of maternal and infant hygiene from Federal funds allotted this department under the Social Security Act for maternal and child health services. These two amounts, together with the balance available at the beginning of the fiscal year July 1, 1936, made a total amount available of \$936,902.53. Expenditures during the fiscal year ended June 30, 1937, amounted to \$888,659.63, leaving a balance of \$48,242.90 which lapsed at the close of the biennium June 30, 1937.

Revenue receipts for the fiscal year ended June 30, 1937, for the general fund amounted to \$46,249.55 and for the special fund \$1,703.70.

Under the provisions of title VI of the Social Security Act, the Territory of Hawaii was given a grant of \$53,688 by the United States Public Health Service for the fiscal year beginning July 1, 1936, for use in strengthening various activities of the bureaus in this department, and for training personnel employed or to be employed. An unexpended balance of \$13,717.45 of the grant for the fiscal year ended June 30, 1936, was carried forward, making a total of \$67,405.45 available for the fiscal year beginning July 1, 1936.

*Maternal and child health services.*—Under the Social Security Act, title V, part 1, the United States Department of Labor (Children's Bureau) allotted the Territory of Hawaii the sum of \$31,751.86 under fund A (matched with Territorial funds), which together with the Federal credit of \$3,227.24 as of June 30, 1936, totaled \$34,979.10. Total expenditures from fund A for the fiscal year amounted to \$28,356.21, leaving a balance of \$6,622.89 available as of June 30, 1937. Included in this expenditure was \$3,675.02 which was transferred to the Territory of Hawaii (Bureau of Maternal and Infant Hygiene) to equalize Territorial and Federal expenditures under this activity.

*Services for crippled children.*—Under title V, part 2, of the Social Security Act, the United States Department of Labor (Children's Bureau) allotted the Territory of Hawaii the sum of \$25,000 for services for crippled children, provided a like amount was made available from Territorial funds for matching this allotment. As there were no legislative funds appropriated for this purpose, the Governor of Hawaii made available the sum of \$25,000 from the unemployment relief tax fund to match the Federal allotment and to be used for services for crippled children. Expenditures from these two allotments totaled \$18,986.29, of which \$9,493.14 was expended from Territorial funds and \$9,493.15 from Federal funds.

*Vital statistics.*—The population of the Territory of Hawaii, as of June 30, 1937, was 396,715, an increase of 3,438, or 0.9 percent, over the previous year.

The great increase is shown in the population estimate for the city and county of Honolulu, an increase of 1,946, the city of Honolulu increasing by 1,575. The county of Hawaii, including Hilo, gained by 756, Hilo City increased by 130, Maui County by 519, Kauai by 310 and Kalawao by 7.

By racial groups, the part-Hawaiian group showed the largest population increase, the total being 1,549 (Asiatic-Hawaiian 1,050 and Caucasian-Hawaiian 499). The Caucasian group gained 1,119, Japanese, 1,255, Chinese, 162, and all others 77.

The three races which showed decreases in population were Hawaiian, 205; Filipino, 515; and Korean, 4.

*Deaths.*—The annual death rate of the Territory for the fiscal year ended June 30, 1937, corrected for residence, was 9.28 per 1,000 population, as compared with 8.58 per 1,000 population for 1936.

There were 3,684 deaths from all causes in the Territory during the fiscal year, an increase of 349 deaths, or 10.5 percent over 1936.

*Infant mortality.*—There were 651 deaths of infants under 1 year of age, an increase of 23 or 3.7 percent over the preceding year. The infant mortality rate for the Territory per 1,000 live births was 74.29, as compared with 70.09 for 1936.

*Maternal mortality.*—There were 42 deaths of mothers from all causes of the puerperal state, an increase of 6 deaths or 16.7 percent. Of this total number all but four were attended by physicians. Thirty-six deaths occurred in institutions and hospitals, while six occurred at home.

The death rate in the puerperal state per 1,000 live births and still-births was 4.68, as against 3.92 in 1936.

The maternal deaths were associated with 18 live births, 9 still-births, and 15 no births.

*Births.*—There were 8,763 births, a decrease of 197 or 2.2 percent under the preceding year. The annual birth rate, corrected for residence, was 22.18.

*Marriages.*—There were 3,426 marriages, an increase of 289 or 9.2 percent. The marriage rate per 1,000 population was 8.67, as compared with 8.07 for 1936.

*Communicable diseases.*—The work of the full-time director of the bureau of communicable diseases, which position was provided for in the General Appropriation Act 142 (1935-37), showed most commendable progress during the year, particularly in tabulating, classifying and follow-up of cases of communicable diseases, with the result that there were reported 20,405 cases of communicable diseases during the year, of which 13,500 were due to measles.

*Maternal mortality.*—There were 42 maternal deaths in the Territory during the last fiscal year, as compared with 36 deaths in 1936, an increase of about 16 percent. The reason for this increase in mortality can be traced to the Hawaiian group which experienced a death rate of 23.53 per 1,000 births this year, as compared with 7.98 in 1936.

*Infant mortality.*—Infant mortality showed a slight increase in the number of deaths per 1,000, as compared with 1936. There were 70.09 deaths per 1,000 in 1936, as compared with 74.29 in 1937. The Hawaiian group again suffered the most in this respect; they registered 78 deaths out of a total of 328 births, or a death rate of 237.80 per 1,000, an increase of 65.1 percent over 1936. The increase in infant mortality was probably due to the very extensive measles epidemic prevalent in the Territory during the past year, totaling 58 deaths, or 6 percent of the total infant deaths.

Under the present program, every effort is being made to give greater emphasis to the various important causes of infant deaths, particularly in the prevention of communicable diseases, proper diet and in the early correction of physical defects.

*Maternal- and child-health conferences.*—By means of social security funds, the work and personnel of the bureau of maternal and infant hygiene have been considerably extended, especially in rural areas. Thirty-four physicians in the rural localities are being remunerated for attending 68 child-health conferences and 22 maternal-health conferences monthly. Of these conferences, 15 child-health and 11 maternal-health conferences were newly established during the past year. The rural maternal-health conferences conducted by the board of health for the year have cared for 785 maternity cases. The child-health conferences have cared for 2,384 infants. These are in addition to conferences held by plantation personnel.

*Tuberculosis.*—More cures than deaths with decreasing numbers of cases following a decreasing incidence of infection, marks a new achievement in the control of tuberculosis throughout the Territory for the fiscal year ended June 30, 1937.

Three hundred and ninety-one cases were removed as apparently arrested, arrested, or apparently cured from the 3,120 active cases registered with the tuberculosis bureau during the fiscal year.

While the increased tuberculosis death toll was below that predicted, despite consistently lower rates in other age groups, trebling of female deaths in the ages of young womanhood and doubling of male deaths in early occupation has returned tuberculosis to second in the list of causes of death in the Territory for the fiscal year ended June 30, 1937. It is particularly significant that the increased mortality was chiefly limited to youth of Hawaiian and Japanese racial extracts recently employed in the lesser industries of urban centers.

The bureau of tuberculosis, in addition to maintaining an active register of all cases of tuberculosis in the Territory, supplements the medical work of the private physicians by making available, through its direct-wide chest clinics, diagnostic and home care, as well as sanitarium placement where indicated to every man, woman, and child in the Territory.

*Territorial hospital.*—This hospital for mental diseases operated in a satisfactory manner, and the mentally ill were given efficient care. There were 838 patients on the books of the institution at the beginning of the year, while at the close of the year there were 893 patients, a net increase of 55 patients.

The average daily number of patients actually in the institution during the year was 823.24.

The hospital days for both patients and employees numbered 348,191, and the per capita cost of patients and employees was \$1.01.

The total expenditures for the year amounted to \$353,155.96, and receipts were \$32,731.

### BOARD OF HOSPITALS AND SETTLEMENT

The board of hospitals and settlement, organized July 1, 1931, to carry on the leprosy program of the Territory, closes its sixth year with a consistently continuing low record in the total number of active patients at Kalaupapa Settlement and at Kalihi Hospital and of patients on temporary release in the Territory. Also, the number of children in the Kapiolani Girls' Home (for nonleprosus children of leprosus parents) has been further decreased, the boys' home having been officially closed at the end of the fiscal year.

As of June 30, 1937, the figures are as follows:

Active patients:

Kalaupapa Settlement	407
Kalihi Hospital	98
 Total	 505
Patients on temporary release	148
 Total in segregation and under control	 653

Kapiolani Girls' Home:

Girls	22
Boys	21
 Total	 43

At Kalaupapa the medical service has been improved by additions of noninmate personnel in the hospital and elsewhere as funds for personal services permitted and by an improved sanitary control in the settlement generally.

The noncompulsory medical service continues to be a great obstacle to the staff in securing the most effective results for patient relief and care; however, a greater percentage of patients availed themselves of the service during the past year.

During the past year the medical relief of the patients at Kalihi Hospital has been executed and directed by medical officers of the United States Public Health Service.

During the past year the United States Leprosy Investigation Station in Honolulu has been designated a branch laboratory of the National Institute of Health in Washington. Previously, it had been an independent laboratory under the jurisdiction of the Scientific Research Division of the Public Health Service.

The program for the placement of children from the Kapiolani Girls' Home and the Kalihi Boys' Home has been greatly accelerated during the year by the welfare worker. Thirty-seven children were placed in foster homes, which, with new admissions, readmissions, and

deaths, leaves 21 boys and 22 girls, or a total of 43 in the Kapiolani Home at the end of the year with an age range of from 1 month to 13 years, as against a total of 72 in the 2 homes for the previous year.

At the out-patient clinic in charge of the board's physicians, 51 new cases of leprosy were certified and segregated for treatment during the past year. Of this number 27.5 percent were children of school age while 72.5 percent were adults. Eight patients on temporary release and three patients on full discharge had recrudescences of their previous existing condition and were recommitted for treatment.

The general appropriations made available by the 1935 legislature amounted to \$877,599.24, allotments from the Governor's contingent fund for the employment of temporary assistants \$6,601.63 and the augmenting of 1935 appropriations by the 1937 legislature for an impending deficiency (later representing a 2-percent deficit) due to rises in commodity prices and emergency expenditures, \$39,900, brought the total to \$924,100.87 for the requirements of this board for the biennial period, 1935-37.

The direct institutional per capita cost per day for all inmates in the four institutions—Kalaupapa Settlement, Kalihi Hospital, Kapiolani Girls' Home and Kalihi Boys' Home—was 65 cents for personal services (8 cents above that of the past year), and \$1.21 for current expenses as compared with \$1.10 for the year before. The per capita cost per day for all purposes was \$1.86 and for the previous year \$1.67.

### FEDERAL PUBLIC HEALTH SERVICE

During the fiscal year all the quarantine buildings now in use were repaired, termite-infested woodwork being removed and replaced and the buildings repainted.

The quarantine launch *H. A. Stansfield* was transferred to the United States Coast Guard on February 17 for use as a consolidated boarding launch by the quarantine boarding officers and the customs and immigration inspectors at this port. This transfer relieves the service of the expense of operating the launch and saves the Government the expense of maintaining two boarding launches at this port.

One hundred sixty-three vessels were inspected at this station during the year, of which 152 were given free pratique and 11 provisional pratique.

The medical inspection of aircraft arriving from Alameda, Calif., was discontinued on bureau authority during the year, but the inspection for mosquitoes was continued. All eastbound aircraft arriving from Manila via Guam, Wake, and Midway, are given medical inspection and are carefully examined for mosquitoes. No live mos-

quito was found on board any aircraft during the year, but two dead *A. litoralis* were discovered on different aircraft arriving from Manila.

Airplanes arriving from foreign countries inspected at this station numbered 48, carrying crews of 398 and passengers, 347.

### ATTORNEY GENERAL'S DEPARTMENT

On February 17, 1937, the nineteenth regular session of the legislature convened and was in session until April 28, 1937. Although each house of the legislature employed its own attorneys a large portion of the time of the attorney general's department was occupied with legislative matters throughout the session.

The legislature increased the personnel of the attorney general's department by providing for a law clerk, a clerk-typist and a principal clerk-stenographer and added one new regular deputy. In addition to the foregoing the office of attorney formerly employed by the tax commissioner as adviser to the delinquent tax bureau was abolished and the attorney general authorized to appoint a deputy to serve the tax department. This deputy is now on the basis of all other deputies in the office, although most of the time of this deputy is devoted to tax matters. The legislature also changed the title of the first deputy attorney general to assistant attorney general and the numerical designation of all other deputies was abolished.

The increased activity during recent years in public works has made it necessary to institute a large number of condemnation suits, many of which it has been impossible to bring to trial within a reasonable time. With the increased personnel in the department, however, it is hoped that it will be able to promptly dispose of these pending cases and thus be in a better position to promptly handle the current business of the office. In many cases the owners of the lands sought to be condemned have permitted the Government to take possession prior to acquisition of title and an injustice is done the owners by not promptly disposing of the cases and making payment for the lands taken.

There are also pending before the Public Utilities Commission a number of important valuation hearings in which this department has acted as adviser to the commission. The most notable ones are the valuation of the Hawaiian Electric Co., Ltd., and the Mutual Telephone Co. The valuation of the Maui Electric Co., Ltd., was concluded during this period and various other small companies' assets were valued for rate-making purposes in all of which the attorney general or one of his deputies was in attendance as adviser to the commission. In addition to the rate hearings there has been considerable litigation growing out of the certificates of necessity and convenience which the statute authorizes the commission to issue to persons desiring to operate motor vehicles upon the streets. Litiga-

tion of this matter has been so far successfully handled by this department although new litigation is now pending in the United States district court.

There is still pending extensive tax litigation. The most important litigation being that of the Maui Agricultural Co., Ltd., pending in the supreme court. Many other cases are pending in the tax appeal court awaiting the decision in the Maui Agricultural Co. case.

The land-court cases are always of concern to the Territory and must be handled by this department.

In addition to conducting litigation in which the Territory is interested, this department is repeatedly called upon to advise the heads of departments, and either the attorney general or one of his deputies was a member of the delinquent tax adjustment committee which operated up to June 30, 1937. The attorney general is also an ex-officio member of the board of bar examiners, and either he in person or one of his deputies must devote considerable time to the preparation of questions and grading of papers of applicants as well as taking part in the investigation of the eligibility of candidates for admission to the bar.

### BOARD OF PRISON DIRECTORS

During the fiscal year ending June 30, 1937, the board expended \$228,033.42, of which amount \$19,418.76 was chargeable to the general office, and \$208,614.66—Oahu Prison, including camps.

### INTERNAL AFFAIRS

Improvements have been reflected in a number of important matters such as:

Own water system started late in preceding year. Now completed and in full operation, reducing consumption of city water and effecting a saving to the Territory.

Beautification of farm area has been fully developed during the year and many varieties of seasonal flowers have added to its general appearance. Over 20 acres of land have been developed and under cultivation, yielding many varieties of vegetables which are used in prison kitchen.

### REHABILITATION PROGRAM OF INMATES

Much has been done in educational activities. Full-time academic teacher supervises this activity and the subjects taught have been organized with system and regularity.

Inmates make greater use of library and longer hours for reading encouraged.

Band and drum corps stage periodical concerts and offer entertainment on special occasions.

*Recreational activities.*—Aside from special Governor's nights programs sponsored by inmate talent as well as by invited artisits, many participate in baseball, handball, volleyball, field and track events, and avocational pursuits.

*Religious activities.*—Many denominations, individuals, and agencies participate in scheduled services.

The bureau of crime statistics has been of material assistance to other law enforcing agencies.

Recommendation of minimum sentences is a responsibility of the board. Such recommendations are made after careful consideration of all matters pertinent to a case, and information secured is consolidated into a narrative which forms a nucleus for the pre-parole report.

During the year, 158 minimums were fixed by the board, 12 of which were modified by the sentencing judges.

#### PAROLE WORK

The board reports progress along the lines developed by earnest study of the many aspects involved. Individualization and methods employed in social case work are being followed. During the year just ended there were 801 under the supervision of 3 paid parole officers and 7 voluntary nonpaid assistant parole officers located on the outside islands.

Out of a total of 166 paroles granted during the year only 6 from this number, representing 3.6 percent, had paroles revoked for violations. From among 792 paroled in prior years there were subsequently returned 38, or 4.8 percent.

In keeping with the spirit of Joint Resolution No. 3, S. L. 1933, 29 Filipinos were returned to their native land during the year, in addition to 5 other nationals. With the exception of two Filipinos, the Hawaiian Sugar Planters' Association defrayed transportation expenses for this group.

On the basis of the number of prisoners under parole supervision, the per-capita cost of parole for the fiscal year just ended was \$15.48. It costs taxpayers approximately one twenty-eighth as much to supervise a paroled prisoner for 1 year as it does for those maintained in prison.

**Population, Oahu Prison:** At the beginning of the fiscal year, the population of Oahu Prison was 417 Territorial and 78 Federal prisoners. At the close of the fiscal year, the population was 464 Territorial and 56 Federal prisoners, making a total of 520, an increase of 25 as compared with the preceding year and shows the Territorial prisoners increased by 47 and the Federal decreased by 22. The per-capita cost of maintaining a prisoner in Oahu Prison was \$427.

## REPORT OF THE ACTING GOVERNOR OF HAWAII

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Following are statistical tables of Oahu Prison:

## Prisoners Serving June 30, 1937

Nationality	Male	Female	Total	Percentage
American.....	23	1	24	4.62
Chinese.....	44	1	45	8.67
Filipino.....	129		129	24.86
Hawaiian.....	59	4	63	12.14
Cau-Hawaiian.....	52	1	53	10.21
Asiatic Hawaiian.....	36		36	6.94
Japanese.....	48	1	49	9.44
Korean.....	14		14	2.70
Portuguese.....	49	1	50	9.63
Puerto Rican.....	38		38	7.32
Spanish.....	6		6	1.16
German.....	4		4	.77
Hawaiian mixtures.....	3		3	.58
French.....	1		1	.19
Samoa.....	4		4	.77
Total.....	510	9	519	100.00

## Classification of Crimes by Nationality, Federal Prisoners, Serving June 30, 1937

Nationality	Burglary	Violation drug laws	Violation postal laws	For- gery	Counterfeiting	Violation sec. 398, T-18 (pro- curing)	Violation sec. 338-A, T-18 U. S. C.	Violation liquor taxing law	Total	Per- centage
American.....	0	2	0	0	0	0	1	0	3	5.36
Chinese.....	0	26	0	0	0	0	0	2	28	50.00
Filipino.....	1	0	0	1	2	1	0	0	5	8.93
Japanese.....	0	1	0	1	0	0	0	3	8	14.28
Korean.....	0	2	0	1	0	0	0	1	1	8.93
Portuguese.....	1	0	1	0	0	0	0	2	0	7.14
Caucasian-Hawaiian.....	1	0	0	0	0	0	0	0	1	1.79
Asiatic Hawaiian.....	0	0	0	1	0	0	0	0	1	1.78
Hawaiian.....	0	1	0	0	0	0	0	0	1	1.78
Total.....	3	32	1	4	2	1	7	6	56	100.00

	Percent
Total Territorial prisoners serving June 30, 1937.....	463 89.21
Total Federal prisoners serving June 30, 1937.....	56 10.79
	519 100.00

## Classification of Crimes by Nationality, Territorial Prisoners, Serving June 30, 1937

Nationality	Assault, intent to commit murder	Assault with weapon	Burglary	Carnal abuse	Embezzlement	Forgery	Indecent assault	Incest	Larceny and malicious damage	Manslaughter	Murder	Maiming	Robbery	Rape	Sexual intercourse	Sodomy	Falsifying bank records	Extortion	Total	Percentage	
American.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Chinese.....	0	1	12	18	23	0	0	0	1	2	0	0	0	0	0	0	0	0	0	17	
Filipino.....	0	3	0	30	2	0	2	0	1	2	0	0	0	0	0	0	0	0	0	67	
Hawaiian.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Caucasian-Hawaiian.....	0	0	1	25	0	0	0	1	4	1	0	3	0	0	0	0	0	0	0	38	
Asian-Hawaiian.....	0	0	0	17	0	0	1	4	2	2	0	0	0	0	0	0	0	0	0	11	
Japanese.....	0	0	1	13	0	0	2	1	1	0	0	0	0	0	0	0	0	0	0	23	
Korean.....	0	0	0	7	1	0	0	0	2	0	0	0	0	0	0	0	0	0	0	52	
Portuguese.....	0	0	0	16	0	0	2	0	0	1	0	0	0	0	0	0	0	0	0	11	
Puerto Rican.....	0	0	7	7	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	35	
Spanish.....	0	0	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	7	
German.....	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	
Other Hawaiian mixtures.....	0	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3	
French.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	
Samoan.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	
<b>Total.....</b>	<b>3</b>	<b>22</b>	<b>150</b>	<b>31</b>	<b>6</b>	<b>27</b>	<b>6</b>	<b>8</b>	<b>34</b>	<b>20</b>	<b>2</b>	<b>48</b>	<b>1</b>	<b>15</b>	<b>33</b>	<b>3</b>	<b>42</b>	<b>10</b>	<b>1</b>	<b>463</b>	<b>100.00</b>

## PUBLIC UTILITIES COMMISSION

The Public Utilities Commission does not exercise rate jurisdiction over the railroad and steamship companies.

It is expected that a rate base for the Hawaiian Electric Co. will be established during the year. Special funds will be required for appraisal of the other utilities for which rate bases have not been established.

Electric rates for domestic and residential service compare favorably with those in corresponding communities, as shown by the Federal Power Commission 1935 Survey. The reductions shown in the following table accrued chiefly to the benefit of domestic and residential consumers. Annual average domestic and residential consumption in Honolulu for 1936 was 890.8 kilowatt-hours against 817.1 for 1935.

The Honolulu Rapid Transit Co. has now substituted 25.45 round-trip route miles of gasoline bus service for 11.96 single track-miles of former rail lines, and is in the process of substituting 12.89 round-trip route miles of trolley coach service for an additional 4.07 miles of rail route, leaving but 6.68 miles of rail route in regular operation. Gasoline bus service has been extended into areas not previously served by rail to a total of 46.44 miles of round-trip bus route. The gross revenue of the company has shown a steady increase since 1933.

Following is a table of general statistics on public utilities and public-utility regulation in the Territory of Hawaii.

## PUBLIC UTILITIES AND PUBLIC UTILITIES COMMISSION

The following table is presented to give a maximum of information on public utilities and public-utility regulation in a minimum of space.

Utility (name)	Approximate value, Dec. 31, 1936 (see notes)	Net revenue 1936		Estimated annual reduction in rates effected January 1936-June 1937	Fees paid to P. U. C. fund, fiscal year 1936-37	Allocation P. U. C. expenditures, fiscal year 1936-37
		Amount	Percent of value			
<b>Electric utilities:</b>						
Hawaiian Electric.....	<sup>1</sup> \$7,001,836	\$757,382	10.82	\$110,260	\$5,048	\$11,455
Hilo Electric.....	<sup>2</sup> 1,008,875	85,665	8.39	-----	544	18
Interurban Electric.....	<sup>2</sup> 345,967	14,211	4.11	-----	139	11
Maui Electric.....	<sup>2</sup> 315,725	27,493	8.71	16,160	276	75
Kona Light & Power.....	<sup>2</sup> 88,822	5,120	5.76	100	34	8
Molokai Electric.....	1 56,071	7,353	13.11	1,900	44	-----
Kauai Electric.....	<sup>2</sup> 53,550	2,982	5.57	-----	61	-----
Waimea Garage.....	<sup>2</sup> 53,065	3,891	7.33	-----	40	-----
Kapaa Electric.....	<sup>2</sup> 47,972	6,483	13.51	-----	45	21
Waiahi Electric.....	<sup>2</sup> 33,277	2,217	6.66	-----	34	-----
Lahaina Ice.....	<sup>2</sup> 33,156	5,238	15.80	8,500	42	21
Kohala Ditch.....	1 24,798	2,661	10.73	-----	22	8
Kaeleku Sugar.....	<sup>2</sup> 18,468	341	1.85	-----	25	-----
<b>Gas utilities:</b>						
Honolulu Gas.....	<sup>2</sup> 2,173,391	166,410	7.66	50,400	1,398	28
Hilo Gas.....	<sup>2</sup> 201,725	13,035	6.46	4,100	103	36
<b>Telephone utilities:</b>						
Mutual Telephone.....	<sup>1</sup> 4,536,159	311,433	6.87	25,030	2,472	80
<b>Water utilities:</b>						
Kohala Ditch.....	<sup>1</sup> 483,181	30,446	6.30	-----	294	-----

<sup>1</sup> Book value property assets, materials and supplies.

<sup>2</sup> Previously established rate base projected to date by changes shown by books.

Utility (name)	Approximate value, Dec. 31, 1936 (see notes)	Net revenue 1936		Estimated annual reduction in rates effected January 1936-June 1937	Fees paid to P. U. C. fund, fiscal year 1936-37	Allocation P. U. C. expenditures, fiscal year 1936-37
		Amount	Percent of value			
Street railway:						
Honolulu Rapid.....	<sup>2</sup> \$3,266,078	\$131,670	\$4.03		\$1,969	\$17
Motor vehicle, common carriers, all.....	1 52,409	14,916	28.46		322	402
Railroads:						
Oahu Railway & Land.....	1 5,996,034	226,453	3.78		3,334	
Hawaii Consolidated.....	1 5,473,404	230,792	4.22		2,077	
Hawaii Railway.....	1 401,069	31,414	7.83		262	
Kahului Railroad.....	1 1,315,396	12,605	.96		863	
Steamship companies:						
Inter-Island Steam.....	1 4,507,629	605,351	13.43			
Airways:						
Inter-Island.....	1 317,690	44,578	14.03			
General and miscellaneous expenditures (undistributed).....						8,982

<sup>1</sup> Book value property assets, materials and supplies.

<sup>2</sup> Previously established rate base projected to date by changes shown by books.

## WORKMEN'S COMPENSATION

*City and county of Honolulu.*—Cases brought before the board numbered 483, involving 544 hearings. There were 230 additional hearings held in relation to cases continued from previous years, or in relation to cases reopened for review or modification of award, making a total of 770 hearings.

The 7,292 accidents reported were divided by classes of disability as follows:

Class 1:

(a) Total disability of less than 1 day.....	3,648
(b) Total disability of less than 1 week.....	1,972
(c) Total disability of more than 1 week.....	1,499
(d) Prolonged disability and probable permanent partial disability pending as of Dec. 31, 1936.....	81

Class 2:

(a) Accidents reported in 1936, resulting in permanent partial disability adjudicated in year ending Dec. 31, 1936.....	71
(b) Cases resulting in total and permanent disability.....	---

Class 3:

(a) Fatal accidents reported in 1936 adjudicated in year ending Dec. 31, 1936.....	20
(b) Fatal accidents pending as of Dec. 31, 1936, reported in 1936.....	1

Total..... 7,292

Total benefits, including compensation, medical, and hospital expenses were:

Class 1.....	\$137,760.47
Class 2.....	56,327.96
Class 3.....	31,030.29

*County of Hawaii.*—A total of 1,479 accidents have been reported to the board during the fiscal period just closed, a slight decrease as compared with the previous year when 1,632 reports were filed. Of the 1,479 accidents reported, final reports have been received covering

1,346 cases, there being 133 cases still pending. The majority of these refer to accidents reported within the last few months. There were 615 accidents which did not entail compensation, but payments were made voluntarily in a number of cases by the employers and in a few cases the full wages were paid. Medical and hospital services were also paid in these cases. The following table gives a detailed account of the accidents occurring during the fiscal period 1936-37:

	Number	Percent
Returned to work on day of accident-----	373	25. 22
Returned to work within 7 days-----	242	16. 36
Not entitled to compensation under the law-----	615	41. 58
Were absent from 8 to 14 days-----	248	16. 77
Were absent from 15 to 21 days-----	170	11. 49
Were absent from 22 to 30 days-----	124	8. 38
Were absent from 31 to 60 days-----	123	8. 32
Were absent from 61 to 90 days-----	26	1. 76
Were absent from 91 to 300 days-----	17	1. 15
Were fatal accidents-----	11	. 74
Were erroneously reported-----	7	. 47
Were duplicate reports-----	4	. 27
Claim for compensation denied-----	1	. 07
Pending-----	133	9. 00
 Total-----	 1, 479	 100. 00

Compensation awarded in the 11 fatal cases amounted to \$8,337.08; in 17 cases of total disability succeeded by permanent partial disability, \$11,967.66; for total disability not succeeded by permanent partial disability, \$11,555.08. Total medical and hospital expenses in all classes of cases amounted to \$21,563.60.

*County of Maui.—*

Number of accidents reported-----	1, 133
Over 7 days-----	450
Under 7 days-----	571
Pending-----	103
Fatalities-----	9
Total compensation paid recovered employees-----	\$11, 629. 71
Hospital and medical expenses, reported (plantations and some other employees do not report hospital and medical expenses)-----	\$9, 063. 42
Awards for deceased employees (6 left no dependents)-----	\$6, 976. 16
Awards for loss of eyes, fingers, toes-----	\$13, 731. 62

*County of Kauai.—*On Kauai there were 115 concerns carrying compensation insurance through policies and at present 6 are under the self-insured plan. These 115 who are carrying insurance with companies and others that were carrying their own insurance sent in to the board 210 reports of accidents, 178 final reports, and 64 reports of paid compensation.

Respectfully submitted.

CHARLES M. HITE,  
*Acting Governor of Hawaii.*





